

## Filing at a Glance

Companies: St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company

Product Name: Public Sector Services	SERFF Tr Num: TRVD-125254806	State: Arkansas
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability	SERFF Status: Closed	State Tr Num: AR-PC-07-025736
Sub-TOI: 05.0007 Other CMP	Co Tr Num: 2006-08-0172-F	State Status:
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	Authors: Carrie Acuna, Carol Letendre	Disposition Date: 08-09-2007
	Date Submitted: 08-07-2007	Disposition Status: Approved
Effective Date Requested (New): 10-01-2007		Effective Date (New): 10-01-2007
Effective Date Requested (Renewal): 10-01-2007		Effective Date (Renewal): 10-01-2007

## General Information

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Filing Status Changed: 08-09-2007	
State Status Changed: 08-07-2007	Deemer Date:
Corresponding Filing Tracking Number: TRVD-125254807	

### Filing Description:

This filing proposes a new product offering within our Public Sector Services portfolio of products. We are proposing to offer Employment Practices Liability (EPL) coverage on an occurrence basis within the Public Entity Rate Plan (PERP). This proposed plan provides an opportunity to competitively rate for this unique and specialized coverage. We are submitting new and revised forms which will be used in conjunction with the new occurrence coverages. The corresponding rate/rule filing has been submitted under separate cover. There is no rate impact on existing insureds.

Please refer to the enclosed Forms Index for identification and explanation of the material included in this submission.

## Company and Contact

### Filing Contact Information

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**Filing Company Information**

St. Paul Fire and Marine Insurance Company

CoCode: 24767

State of Domicile: Minnesota

385 Washington Street

Group Code: 3548

Company Type:

St. Paul, MN 55102

Group Name:

State ID Number:

(651) 310-7782 ext. [Phone]

FEIN Number: 41-0406690

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St. Paul Guardian Insurance Company

CoCode: 24775

State of Domicile: Minnesota

385 Washington Street

Group Code: 3548

Company Type:

St. Paul, MN 55102

Group Name:

State ID Number:

(651) 310-7782 ext. [Phone]

FEIN Number: 41-0963301

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St. Paul Mercury Insurance Company

CoCode: 24791

State of Domicile: Minnesota

385 Washington Street

Group Code: 3548

Company Type:

St. Paul, MN 55102

Group Name:

State ID Number:

(651) 310-7782 ext. [Phone]

FEIN Number: 41-0881659

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## Filing Fees

Fee Required? Yes  
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Retaliatory? No  
Fee Explanation: 50.00 Flat fee for Form Filings.  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
St. Paul Fire and Marine Insurance Company	\$50.00	08-07-2007	14998606
St. Paul Guardian Insurance Company	\$0.00	08-07-2007	
St. Paul Mercury Insurance Company	\$0.00	08-07-2007	

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08-09-2007	08-09-2007

## **Disposition**

Disposition Date: 08-09-2007

Effective Date (New): 10-01-2007

Effective Date (Renewal): 10-01-2007

Status: Approved

Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter & Indexes	Approved	Yes
Form	Public Entity Management Liability Protection Claims-Made	Approved	Yes
Form	Extended Reporting Period Endorsement Public Entity Management Liability	Approved	Yes
Form	Public Entity Management Liability Protection	Approved	Yes
Form	Public Sector Services Described Boards And Commissions Exclusion Endorsement Public Entity Management Liability	Approved	Yes
Form	Public Entity Management Liability Protection Coverage Summary	Approved	Yes
Form	Prior Loss Coverage Endorsement Public Entity Management Liability	Approved	Yes
Form	Public Entity Employment Practices Liability Protection Claims-Made	Approved	Yes
Form	Public Entity Employment Practices Liability Protection Claims-Made Coverage Summary	Approved	Yes
Form	Public Sector Services Extended Reporting Period Endorsement Public Entity Employment Practices Liability	Approved	Yes
Form	Terrorism Risk Insurance Act of 2002 Certified Acts of Terrorism Exclusion Endorsement Employment Practices Liability	Approved	Yes
Form	Public Entity Employment Practices Liability Protection	Approved	Yes
Form	Non-Employment Related Sexual Harassment Coverage Endorsement Public Entity Employment Practices Liability	Approved	Yes
Form	Public Entity Employment Practices Liability Protection Coverage Summary	Approved	Yes
Form	Wrongful Employment Practice Offense Committed By Described Persons Or Departments Exclusion Endorsement Public Entity Employment Practices Liability	Approved	Yes
Form	Employment Injury To Described Persons Exclusion Endorsement Public Entity	Approved	Yes

	Employment Practices Liability		
<b>Form</b>	Prior Employment Injury Coverage Endorsement Public Entity Employment Practices Liability	Approved	Yes
<b>Form</b>	Public Sector Services Public Entity Management Liability Self-Insured Retention Endorsement	Approved	Yes
<b>Form</b>	Our Right To Settle Claims Without Your Written Consent Endorsement Public Entity Management Liability	Approved	Yes
<b>Form</b>	Our Right To Settle Claims Without Your Written Consent Endorsement Public Entity Employment Practices Liability	Approved	Yes
<b>Form</b>	Defense Expenses Within Limits of Coverage Notice	Approved	Yes

## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Public Entity Management Liability Protection Claims-Made	47279	07-06	Endorsement/Amendment/Conditions Replaced	47279 01-01	0.00	47279 07-06(Unstamped).PDF
Approved	Extended Reporting Period Endorsement Public Entity Management Liability	47337	07-06	Endorsement/Amendment/Conditions Replaced	47337 05-93	0.00	47337 07-06(Unstamped).PDF
Approved	Public Entity Management Liability Protection	L0053	07-06	Endorsement/Amendment/Conditions Replaced	L0053 10-98	0.00	L0053 07-06(Unstamped).PDF
Approved	Public Sector Services Described Boards And Commissions Exclusion Endorsement Public Entity Management Liability	L0173	07-06	Endorsement/Amendment/Conditions Replaced	L0173 10-98	0.00	L0173 07-06(Unstamped).PDF
Approved	Public Entity Management Liability Protection Coverage Summary	L0177	07-06	Endorsement/Amendment/Conditions Replaced	L0177 10-98	0.00	L0177 07-06(Unstamped).PDF
Approved	Prior Loss Coverage Endorsement Public Entity Management Liability	L0178	07-06	Endorsement/Amendment/Conditions Replaced	L0178 10-98	0.00	L0178 07-06(Unstamped).PDF
Approved	Public Entity Employment Practices Liability Protection	L0394	07-06	Endorsement/Amendment/Conditions Replaced	L0394 01-01	0.00	L0394 07-06(Unstamped).PDF



## Claims-Made

Approved	Public Entity Employment Practices Liability Protection Claims-Made Coverage Summary	L0397	07-06	Endorsement/Amendment/Conditions	L0397 01-01	0.00	L0397 07-06(Unstamped).PDF
Approved	Public Sector Services Extended Reporting Period Endorsement Public Entity Employment Practices Liability	L0398	07-06	Endorsement/Amendment/Conditions	L0398 01-01	0.00	L0398 07-06(Unstamped).PDF
Approved	Terrorism Risk Insurance Act of 2002 Certified Acts of Terrorism Exclusion Endorsement Employment Practices Liability	L0494	07-06	Endorsement/Amendment/Conditions	L0494 11-03	0.00	L0494 07-06(Unstamped).PDF
Approved	Public Entity Employment Practices Liability Protection	L0646	07-06	Endorsement/Amendment/Conditions		0.00	L0646 07-06(Unstamped).PDF
Approved	Non-Employment Related Sexual Harassment Coverage Endorsement Public Entity Employment Practices Liability	L0648	07-06	Endorsement/Amendment/Conditions		0.00	L0648 07-06(Unstamped).PDF
Approved	Public Entity Employment Practices Liability Protection Coverage Summary	L0649	07-06	Endorsement/Amendment/Conditions		0.00	L0649 07-06(Unstamped).PDF
Approved	Wrongful Employment Practice Offense	L0650	07-06	Endorsement/Amendment/Conditions		0.00	L0650 07-06(Unstamped).PDF

	Committed By			ons		
	Described					
	Persons Or					
	Departments					
	Exclusion					
	Endorsement					
	Public Entity					
	Employment					
	Practices Liability					
Approved	Employment	L0659	07-06	Endorseme New	0.00	L0659 07-
	Injury To			nt/Amendm		06(Unstamp
	Described			ent/Condi		ed).PDF
	Persons			ons		
	Exclusion					
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	Public Entity					
	Employment					
	Practices Liability					
Approved	Prior Employment	L0662	07-06	Endorseme New	0.00	L0662 07-
	Injury Coverage			nt/Amendm		06(Unstamp
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Approved	Public Sector	47657	01-95	Endorseme Withdrawn	95-08-017	0.00
	Services Public			nt/Amendm		
	Entity			ent/Condi		
	Management			ons		
	Liability Self-					
	Insured Retention					
	Endorsement					
Approved	Our Right To	L0184	01-01	Endorseme Withdrawn	01-04-042	0.00
	Settle Claims			nt/Amendm		
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	Public Entity					
	Management					
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	Settle Claims			nt/Amendm		
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	Written Consent			ons		
	Endorsement					
	Public Entity					

Employment  
Practices Liability

Approved	Defense	NL031	07-06	Disclosure/ Replaced	NL031 01-01	0.00	NL031V 07-06(Unstamp ed).PDF
	Expenses Within			Notice			
	Limits of						
	Coverage Notice						



## PUBLIC ENTITY MANAGEMENT LIABILITY PROTECTION – CLAIMS–MADE

This insuring agreement provides management liability protection for the conduct of duties by or for a public entity. There are, of course, exclusions and limitations, and terms with defined meanings, throughout this agreement which apply to that protection. Certain terms that have or include defined meanings shown in this agreement are listed in the List Of Terms With Defined Meanings Shown In This Agreement section, which also shows where their defined meanings are located. This agreement should be read carefully to determine the extent of the coverage provided to you and other protected persons.

**Important note: This is a claims–made insuring agreement that includes defense expenses within the deductible.** To be covered, a claim or suit must be first made or brought against a protected person while this agreement is in effect, or during the limited reporting period or the extended reporting period, if either one applies.

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## **What This Agreement Covers**

**Public entity management liability.** We'll pay amounts any protected person is legally required to pay as damages for covered loss that:

- results from the conduct of duties by or for a public entity;
- is caused by a wrongful act committed on or after the retroactive date and before the ending date of this agreement; and
- results in a claim or suit first made or brought against a protected person while this agreement is in effect, or during the limited reporting period or the extended reporting period, if either one applies.

We'll consider each wrongful act in a series of related wrongful acts to be committed on the date the first wrongful act in that series is committed.

**Protected person** means any person or organization that qualifies as a protected person under the Who Is Protected Under This Agreement section.

**Public entity** means a municipality, county, or other governmental body, department, or unit.

**Wrongful act** means any act, error, or omission.

**Retroactive date** means the earliest date that a wrongful act may first be committed and be covered by this agreement. The retroactive date is shown in the Coverage Summary. However, if no retroactive date is shown in the Coverage Summary, we'll consider the retroactive date to be the same as the beginning date of this agreement.

**Related wrongful acts** means two or more wrongful acts that have as a common connection, tie, or link any fact, circumstance, situation, event, transaction, cause, or any series of related facts, circumstances, situations, events, transactions, or causes.

### **Right and duty to defend a protected person.**

We'll have the right and duty to defend any protected person against a claim or suit for loss covered by this agreement. We'll have such right and duty even if all of the allegations of the claim or suit are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any wrongful act and to investigate and settle any claim or suit to the extent that we believe is proper. This includes the right to settle any claim or suit within:

- any deductible that applies; or
- the available limit of coverage.

Our duty to defend protected persons ends when we have used up the limit of coverage that applies with the payment of:

- judgments; or
- settlements.

**Claim** means a demand that seeks damages.

**Suit** means a civil proceeding that seeks damages, including:

- an arbitration proceeding for damages to which the protected person must submit or submits with our consent; or
- any other alternative dispute resolution proceeding for damages to which the protected person submits with our consent.

**Additional payments.** We'll have the duty to make only the payments shown below, in addition to the limits of coverage, in connection with any claim or suit against a protected person when we:

- investigate or settle the claim or suit;
- defend the protected person against the claim or suit; or
- pay our part of a judgment.

Our duty to make such payments ends when we have used up the limit of coverage that applies with the payment of:

- judgments; or
- settlements.

**Our expenses.** We'll pay all expenses, including defense expenses, we incur.

**Defense expenses** means any of the following fees, costs, or expenses that result directly from the investigation, defense, or appeal of a specific claim or suit:

- Fees, costs, or expenses of hired or appointed attorneys.
- The costs of proceedings involved in the suit, including court reporter's, arbitrator's, or mediator's fees.
- Independent expert's or special investigator's fees, costs, or expenses.

But we won't consider any of the following to be defense expenses:

- Our expenses, including salaries, wages, or travel expenses of our employees, other than fees, costs, or expenses incurred by us in connection with a specific claim or suit.
- Fees, costs, or expenses of independent adjusters or attorneys for adjusting claims.
- Fees, costs, or expenses for coverage opinions.
- Payments we make under the Right to appeal a judgment against a protected person section.
- Our recovery expenses, as explained in the Recovering Damages From A Third Party section in your General Rules, which is a part of your policy.

**Bonds to release property.** We'll pay the cost of bonds to release property that's being used to secure a legal obligation. But only for bond amounts within the limit of coverage that applies. We don't have to furnish such bonds.

**Expenses incurred by a protected person with our consent.** We'll pay all reasonable expenses that any protected person incurs at our request while helping us investigate or settle, or defend a protected person against, a claim or suit. But we won't pay more than \$500 per day for earnings actually lost by a protected person because of time taken off from work.

**Taxed costs.** We'll pay all costs taxed against any protected person for covered loss in a suit.

**Prejudgment interest.** We'll pay the interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if

we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of that offer.

**Postjudgment interest.** We'll pay the interest that accumulates on the full amount of a judgment against the protected person from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment. But if we don't pay part of the judgment for any reason other than it's more than the limit of coverage that applies, we won't pay the postjudgment interest that accumulates on that part of the judgment.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment awarded in a suit that includes damages for covered loss if:

- we defend a protected person against the suit; and
- the judgment is awarded against the protected person.

If we appeal such a judgment, we'll pay all expenses which result directly from that appeal, including postjudgment interest and the cost of appeal bonds. Such appeal expenses are in addition to the limits of coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

### **When This Agreement Covers**

**When a claim or suit must be first made or brought against a protected person.** We'll apply this agreement to claims or suits for loss covered by this agreement only when they're first made or brought against a protected person:

- while this agreement is in effect; or
- during the limited reporting period or the extended reporting period, if either one applies.

**Limited reporting period** means the 60 days, starting with the ending date of this agreement, during which claims or suits for covered loss may be first made or brought against a protected person.

**Extended reporting period** means the 12-month period of time, starting with the ending date of this agreement, during which claims or suits for covered loss may be first made or brought against a protected person.

**When we consider a claim or suit to be first made or brought against a protected person.**

We'll consider a claim or suit for covered loss to be first made or brought against a protected person on the earliest of the following dates:

- The date that we or any protected person first receives written notice of such claim or suit.
- The date that we first receive written notice from any protected person of a specific wrongful act that caused the loss which resulted in such claim or suit.

We'll consider all claims or suits for covered loss that is caused by:

- the same wrongful act; or
- related wrongful acts;

to have been first made or brought against a protected person on the date that the first of those claims or suits was first made or brought against a protected person, regardless of whether such date is before or while this agreement is in effect.

**What we require in a written notice of a specific wrongful act.**

We won't consider a claim or suit to be first made or brought against a protected person on the date we first receive written notice of a specific wrongful act unless that notice contains the following information:

- A description of the wrongful act, including its date, time, place, and circumstances.
- The nature of the potential damages.
- The names of each actual or potential claimant and protected person involved.
- The manner in which each of the protected persons first became aware of the circumstances involved.

Notice to us that:

- all or part of any protected person's acts or omissions may in the future be discovered to be a wrongful act; and
- any protected person may in the future receive written notice of a wrongful act, claim, or suit;

is not notice of a specific wrongful act.

**When the limited reporting period will apply.**

The limited reporting period will automatically apply to this agreement without an additional premium. The limited reporting period may not be canceled by you or us once it applies.

However, the limited reporting period won't apply to claims or suits for covered loss that:

- are covered by any other insurance you buy that takes effect on or after the ending date of this agreement; or
- would have been covered by such insurance if its limits of coverage hadn't been used up.

**How the limited reporting period applies.** The limited reporting period doesn't extend the time that this agreement is in effect. As a result, we'll consider any claim or suit for covered loss that is first made or brought against a protected person during the limited reporting period to have been first made or brought against a protected person on the ending date of this agreement.

**When and how an extended reporting period can be added.** If this agreement is canceled or not renewed for any reason, an extended reporting period can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

Also, if we renew or replace this agreement with insurance that does not provide coverage on a claims-made basis, an extended reporting period can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

However, the Extended Reporting Period Endorsement won't take effect unless we receive all of the following within 60 days after the ending date of this agreement and you have fulfilled all other duties, and complied with all other conditions and requirements, under this agreement:

- A written request from you to purchase the Extended Reporting Period Endorsement.
- Full payment of the earned premium for this agreement.
- Payment of the additional premium for the Extended Reporting Period Endorsement.
- Repayment of any deductible you owe us under this agreement.

But once the Extended Reporting Period Endorsement takes effect, it may not be canceled by you or us.

**How the extended reporting period applies.**

When the extended reporting period applies, it replaces the limited reporting period. The extended reporting period doesn't extend the time that this agreement is in effect. As a



result, when the extended reporting period applies, we'll consider any claim or suit for covered loss that is first made or brought against a protected person during the extended reporting period to have been first made or brought against a protected person on the ending date of this agreement.

**How we'll figure the additional premium for the Extended Reporting Period Endorsement.** We'll figure the additional premium for the Extended Reporting Period Endorsement in accordance with our rules and rates. But we won't charge more than 75% of the annual premium for the last policy year of this agreement.

### **Where This Agreement Covers**

We'll apply this agreement to covered loss that is caused by a wrongful act committed anywhere in the world. But only if the protected person's liability for loss is determined in a suit on the merits brought in the coverage territory, or in a settlement agreed to by us. And we'll only make payments under this agreement in the coverage territory.

**Coverage territory** means:

- the United States of America, including its territories and possessions and Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

### **Who Is Protected Under This Agreement**

**Public entity.** If you're shown in the Introduction as a named insured and a public entity, you're a protected person.

**Elected or appointed officials.** Your lawfully elected or appointed officials, directors, or executive officers are protected persons only for the conduct of their duties as your elected or appointed officials, directors, or executive officers.

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your operations.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

**Employee** includes a leased worker.

**Leased worker** means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's operations.

**Employee leasing firm** means any person or organization that hires out workers to others, including any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

**Volunteer worker** means any person who:

- isn't working within the scope of his or her employment as an employee;
- donates his or her work; and
- isn't paid a fee, salary, or other compensation for that work.

**Legal representatives of certain protected persons.** Any legal representative of a protected person who has died, or become mentally incompetent, insolvent, or bankrupt, is a protected person, but only for the rights and duties of that deceased, mentally incompetent, insolvent, or bankrupt protected person under this agreement.

**Legal representative** includes the estate, heirs, executors, administrators, or trustees of such a protected person.

**Boards.** Your boards are protected persons. Members of your boards are protected persons only for the conduct of their duties for you or for your boards. And employees of your boards are protected persons only for:

- work done within the scope of their employment by your boards; or
- their performance of duties related to the conduct of the operations of your boards.

However, no such board, member, or employee is a protected person if there's valid and collectible other insurance for loss covered by this agreement that is available to such board, member, or employee.

**Your boards** means any board, commission, or other governmental unit or department that:

- is under your complete control; and
- is funded and operated as part of your total operating budget.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, all protected persons share the limits of coverage shown in the Coverage Summary. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in your General Rules, which is a part of your policy.

### **Limits Of Coverage**

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making claims or bringing suits.

The limits of coverage apply excess of any applicable deductible and aren't reduced by the payment of that deductible.

**Each wrongful act limit.** This is the most we'll pay as damages for all claims or suits for covered loss that is caused by:

- the same wrongful act; or
- related wrongful acts.

**Total limit.** This is the most we'll pay as damages for the combined total of all claims or suits for covered loss that are first made or brought against a protected person in a policy year.

We explain when we consider a claim or suit to be first made or brought against a protected person in the When This Agreement Covers section.

**Policy year** means the policy period shown in the Introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is

longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the Introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining nine-month period. During the third policy year, you request and we provide, two separate extensions of the policy period: a three-month extension and then a four-month extension. As a result, the third policy year becomes sixteen months long and is still subject to the same limits of coverage that applied when it was nine months long.*

**How the limits of coverage apply if the total limit is left blank.** If the amount of the total limit is left blank in the Coverage Summary, we'll consider that total limit to be the same as the each wrongful act limit or \$100,000, whichever amount is more.

**How the limits of coverage apply to the limited and extended reporting periods.** The limits of coverage that apply on the ending date of this agreement aren't renewed or increased for claims or suits for covered loss that are first made or brought against a protected person during the limited reporting period or the extended reporting period.

### **Deductible**

The deductible shown in the Coverage Summary and the information contained in this section fix the amount of damages and defense expenses that you'll be responsible for paying and over which the limits of coverage will apply, regardless of the number of:

- protected persons;

- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

The deductible won't apply to payments we make under the Additional payments section, other than defense expenses.

**Each wrongful act deductible.** You'll be responsible for the amount of damages and defense expenses within this deductible for all claims or suits for covered loss that is caused by:

- the same wrongful act; or
- related wrongful acts.

**Repayment of deductible.** If we settle a claim or suit for damages, or pay a judgment for damages awarded in a suit, that are subject to a deductible, we'll pay the deductible as part of the settlement or judgment, unless you and we agree to do otherwise. You agree to repay us the deductible amount as soon as we notify you of our payment.

Also, if we pay defense expenses that are subject to a deductible, you agree to repay us that amount as soon as we notify you of our payment.

If you fail to repay us a deductible amount that applies to damages or defense expenses, and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:

- Our deductible recovery expenses.
- Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

If the deductible amount awarded to us is less than the full amount of the deductible payment we sought, our deductible recovery expenses will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.

**Our deductible recovery expenses** means all fees, costs, and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you.

## **Exclusions – What This Agreement Won't Cover**

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**Boards and commissions.** We won't cover loss that results from any activities or operations of the following boards, commissions, or governmental units or departments:

- Airports.
- Electric or gas utilities.
- Health care facilities, including clinics, hospitals, nursing homes, rehabilitation facilities, or blood banks.
- Housing authorities.
- Joint power authorities or entities.
- Port authorities.
- Schools or school districts.
- Transit authorities.

**Breach of contract.** We won't cover loss that results from the failure of any protected person to do what is required by any contract or agreement, other than a mutual aid agreement.

**Claims or suits by protected persons against protected persons.** We won't cover loss for which any claim or suit is made or brought by, or on behalf of, any current or former protected person against any current or former protected person.

**Complaint or enforcement action.** We won't cover loss that results from any complaint, enforcement action, claim, or suit brought by or for any federal, state, or local governmental regulatory or enforcement agency against any protected person.

**Contract liability.** We won't cover loss for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to loss for which the protected person would have liability without the contract or agreement.

**Criminal, malicious, dishonest, or fraudulent acts or omissions, or knowing violations of rights or laws.** We won't cover loss that results from any criminal, malicious, dishonest, or fraudulent act or omission, or any knowing violation of rights or laws, committed by:

- the protected person; or
- anyone with the consent or knowledge of the protected person.

However, we won't apply this exclusion to our duty to defend that protected person until it has been determined or admitted in a

legal proceeding that such act, omission, or knowing violation was committed by:

- the protected person; or
- anyone with the consent or knowledge of the protected person.

**Debt financing.** We won't cover loss that results from any type of debt financing issued by or for you.

*Debt financing* includes bonds, debentures, guarantees of debt, or notes.

**Declaratory, injunctive, or other non-monetary relief costs.** We won't cover:

- any cost, expense, or fee; or
- any amount required to comply with a court or administrative order, judgment, ruling or decree, or a federal, state, or local law;

that results from any action or demand, or any part of any claim or suit, which seeks declaratory, injunctive, or other non-monetary relief.

Such costs, expenses, fees, or amounts include the following:

- The costs of physical alterations or other changes made to accommodate or afford accessibility to any disabled person.
- The costs of developing, implementing, or enforcing any company policy, procedure, or program.

*Declaratory, injunctive, or other non-monetary relief* includes:

- a judgment which declares the rights and duties of any person or organization; or
- any type of injunction, restraining order, or any other non-monetary relief.

**Employee benefit plans administration.** We won't cover loss that results from any wrongful act committed by or for any protected person in:

- the administration of any employee benefit plan; or
- the conduct of any fiduciary duty for any employee benefit plan.

**Employment-related practices.** We won't cover loss that results from a wrongful employment practice offense.

*Wrongful employment practice offense* means any of the following offenses:

- Employment discrimination.

- Wrongful employment termination.
- Employment-related harassment.
- Retaliatory action against any of your employees.
- Wrongful, excessive, or unfair discipline of any of your employees.
- Wrongful hiring, supervision, or demotion of, or failure to promote, any of your employees.
- Employment-related misrepresentation, defamation, libel, slander, disparagement, or invasion of privacy.

*Employment discrimination* means any employment-related violation of a person's rights with respect to:

- the person's race, color, national origin, religion, gender, marital status, age, sexual orientation, or physical or mental disability; or
- any other class or characteristic afforded rights under any federal, state, or local law, rule, or regulation.

*Employment-related harassment* means any unwelcome sexual advance, request for any sexual favor, or other verbal, visual, or physical conduct of a sexual or non-sexual nature, when such conduct:

- is connected to a decision affecting a person's employment by you;
- is connected to a decision affecting a person's status as your independent contractor;
- interferes with a person's job performance for you or a person's performance of duties related to the conduct of your operations; or
- creates an intimidating, hostile, or offensive working environment affecting a person's employment by you or a person's performance of duties related to the conduct of your operations.

*Independent contractor* means any person who:

- has a contract with you to perform for you certain duties related to the conduct of your operations; and
- isn't your employee or volunteer worker.

*Retaliatory action* includes any employment-related action directed at any of your employees that is in response to the employee's:

- exercising any legally afforded rights;

- supporting in any way another person's exercise of any legally afforded rights;
- participating in any strikes or lockouts;
- making any claims or suits against you or any other protected person;
- testifying against you or any other protected person in any legal proceedings;
- declining to perform any illegal or unethical acts; or
- threatened or actual reporting of any illegal operations or activities actually or allegedly conducted within your operations.

**Health care professional services.** We won't cover loss that results from the performance of or failure to perform health care professional services.

**Health care professional services** includes:

- dental, medical, mental, nursing, surgical, x-ray and other health care professional services, including any advice, instruction, food or beverages provided with such service;
- the dispensing of drugs or medical or dental supplies and appliances; and
- the handling or treatment of corpses, including autopsies, organ donations, and other postmortem procedures.

**Injury or damage.** We won't cover loss resulting from injury or damage.

**Injury or damage** means:

- bodily injury, personal injury, or advertising injury; or
- property damage.

**Bodily injury** means any physical harm, including sickness or disease, to the physical health of other persons.

We'll consider any of the following that happens at any time to be part of such physical harm, sickness, or disease, if it results in or from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

**Property damage** means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged.

**Tangible property** doesn't include data.

**Personal injury** means injury, other than bodily injury or advertising injury, that:

- results from your operations; and
- is caused by a personal injury offense.

**Personal injury offense** means any of the following offenses:

- False arrest, detention, or imprisonment.
- Malicious prosecution.
- Wrongful entry into, or wrongful eviction from, a room, dwelling, or premises that a person occupies, if such entry or eviction is committed by or for the landlord, lessor, or owner of that room, dwelling, or premises.
- Invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, if such invasion is committed by or for the landlord, lessor, or owner of that room, dwelling, or premises.
- Libel or slander.
- Making known to any person or organization material, in any form of expression, that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization material, in any form of expression, that violates a person's right of privacy.

**Advertising injury** means injury, other than bodily injury or personal injury, that:

- results from the advertising of your facilities, operations, or services, or your products, your work, or your completed work; and
- is caused by an advertising injury offense.

**Advertising injury offense** means any of the following offenses:

- Libel or slander.
- Making known to any person or organization material, in any form of expression, that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization material, in any form of expression, that violates a person's right of privacy.
- Unauthorized use of any advertising idea or advertising material, or any slogan or title, of others in your advertising.

**Advertising** means attracting the attention of others by any means for the purpose of seeking or increasing:

- interest or participation in civic, educational, entertainment, recreational, or social activities or events;
- private or public development, growth, or investment;
- use of facilities or services by others; or
- visits by tourists, travelers, or membership, trade, or similar groups, organizations, or shows.

**Advertising idea** means a manner or style of advertising that others use and intend to attract attention in their advertising.

**Advertising material** means any material that:

- is subject to copyright law; and
- others use and intend to attract attention in their advertising.

**Slogan** means a phrase that others use and intend to attract attention in their advertising.

**Title** means a name of a literary or artistic work.

**Insurance.** We won't cover loss that results from the failure to obtain or maintain any type or amount of insurance.

**Insurance** includes any type of bond or self-insurance program.

**Intellectual property.** We won't cover loss that results from any actual or alleged infringement or violation of any of the following rights or law:

- Copyright.
- Patent.
- Trade dress.
- Trade name.
- Trade secret.
- Trademark.
- Other intellectual property rights or laws.

**Investments.** We won't cover loss that results from the purchase, sale, issuance, or distribution, or offer to purchase or sell, any debt or equity securities, or other investments.

**Known wrongful acts.** We won't cover loss that results from any wrongful act, including

any part of related wrongful acts, that any described authorized person knew about before the beginning date from which we, or any of our affiliated insurance companies, have continuously provided this public entity management liability protection to you.

**Described authorized person** means any person while he or she is your:

- Elected or appointed official, director, or executive officer, or member of any of your boards.
- Employee and is or acts as your insurance or risk manager or holds a position in your insurance, risk management, or legal department.

**Law enforcement activities or operations.** We won't cover loss that results from law enforcement activities or operations.

**Law enforcement activities or operations** means any of the official activities or operations of your police department, sheriff agency, or other public safety organization which enforces the law and protects persons or property.

They include the following:

- Ownership, maintenance, or use of a premises that you own, rent, lease, or borrow in order to perform such activities or operations.
- Providing first aid at the time of an accident, crime, or medical emergency.

**Multiplied damages.** We won't cover that portion of any multiplied damage award which exceeds the amount multiplied.

**Network and information security liability.** We won't cover loss that results from a network and information security wrongful act.

**Network and information security wrongful act** means any of the following committed by or for a protected person in the conduct of your operations:

- Failure to prevent the transmission of a computer virus.
- Failure to provide any authorized user of your website or your computer or communications network with access to such website or such computer or communications network.
- Failure to prevent unauthorized access to, or use of, electronic data containing private or confidential information of others.

**Computer virus** means malicious code that is introduced through your website or your computer or communications network. Once introduced, such code may destroy, alter, contaminate, or degrade the integrity, quality, or performance of data of any computer application software, computer network, or computer operating system or related software.

**Authorized user** includes your customer, supplier, or supporter.

**Your computer or communications network** means any computer or communications network that you rent, lease, license, or borrow from others, own, or operate.

**Nuclear material.** We won't cover loss that results from the hazardous properties of any nuclear material.

**Hazardous properties** include radioactive, toxic, or explosive properties.

**Nuclear material** means any nuclear material defined in the Federal Atomic Energy Act, or any of its amendments.

**Pollution.** We won't cover loss that results from pollution.

We also won't cover any loss, cost, or expense that results from:

- any request, demand, order, or statutory or regulatory requirement that any protected person or others perform pollution work; or
- any claim by or for any governmental authority for damages that result from the performance of pollution work.

**Pollution** means any actual, alleged, or threatened discharge, dispersal, escape, migration, release, or seepage of any pollutant.

**Pollutant** means any solid, liquid, gaseous, or thermal irritant or contaminant, including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste.

**Waste** includes materials to be recycled, reconditioned, or reclaimed.

**Pollution work** means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing of any pollutant; or
- the responding to, or assessing, in any way the effects of any pollutant.

**Sexual harassment.** We won't cover loss that results from any unwelcome sexual advance, request for any sexual favor, or other verbal, visual, or physical conduct of a sexual nature.

**Strikes, riots, demonstrations, or civil commotions.** We won't cover loss that results from any strike, riot, protest, demonstration, lock-out, or civil commotion.

**Taking of private property for public use or benefit.** We won't cover loss that results from the taking or controlling of private property for public use or benefit, including the diminution in value of such property, by condemnation, inverse condemnation, adverse possession, dedication by adverse use, or any other method or proceeding.

**Taxes.** We won't cover loss that results from the improper administration or collection of taxes, or loss that reflects any tax obligation.

**Unlawful personal gains.** We won't cover loss that results from any protected person's personal profit, advantage, or compensation to which that protected person is not legally entitled.

**Workers compensation or other benefits laws.** We won't cover any obligation that the protected person has under any:

- workers compensation law;
- disability benefits law;
- unemployment compensation law; or
- similar law.

## **Other Insurance**

This agreement is primary insurance. However, if there is any valid and collectible other insurance for loss covered by this agreement, we'll apply this agreement in connection with that other insurance in accordance with the rest of this section.

**Other insurance** means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self insurance method or program; or
- any similar risk transfer or risk management method.

However, we won't consider umbrella insurance or excess insurance that you bought specifically to apply in excess of the limits of coverage that apply under this agreement to be other insurance.

**Primary other insurance.** When there's primary other insurance for loss covered by this agreement, we'll pay that portion of the damages which:

- exceeds the deductible; and
- equals our percentage of the total of all limits of coverage that apply.

But we won't pay more than the limit of coverage that applies under this agreement. For example:

*The limit of coverage under this agreement is \$1,000,000. Another insurance policy with a limit of \$250,000 that covers the protected person as a named insured also covers loss covered by this agreement. We won't pay more than 80% (\$1,000,000/\$1,250,000) of the loss, less any deductible.*

However, if the extended reporting period applies, we'll apply this agreement as excess insurance over any part of any valid and collectible other insurance that:

- is available under any policy in effect during the extended reporting period; and
- provides coverage for claims or suits for covered loss first made or brought against a protected person during the extended reporting period.

We'll do so whether such other insurance applies on a primary, excess, contingent, or any other basis.

We explain how we'll apply this agreement as excess insurance in the When this agreement is excess insurance section.

#### **When this agreement is excess insurance.**

When this agreement is excess insurance, we won't have a duty to defend any claim or suit that any provider of other insurance has a duty to defend. However, we'll defend a claim or suit for covered loss if no provider of other insurance will do so. In return, we'll require that the protected persons give us all of their rights against each such provider of other insurance.

Also, we'll pay only the amount of damages that's in excess of:

- the total amount that all such other insurance would pay if this agreement didn't exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

But we won't pay more than the limit of coverage that applies under this agreement.

#### **List Of Terms With Defined Meanings Shown In This Agreement**

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This section lists, in alphabetical order, the terms that have or include defined meanings shown in this agreement. The defined meaning for each of these terms:

- begins on the page shown for that term; and
- is usually located immediately following where that term is first used in this agreement.

However, one or more endorsements or other forms made part of your policy may, without changing this section:

- delete or change the defined meanings for any of these terms; or
- add a defined meaning for any other term.

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## **EXTENDED REPORTING PERIOD ENDORSEMENT – PUBLIC ENTITY MANAGEMENT LIABILITY**

This endorsement changes your Public Entity Management Liability Protection – Claims-Made.

**Important Note:** This endorsement won't take effect unless:

- the additional premium for this endorsement, and the earned premium for your Public Entity Management Liability Protection – Claims-Made insuring agreement, is paid in full;
- any deductible you owe us under the insuring agreement is paid in full; and
- you have fulfilled all other duties, and complied with all other conditions and requirements, under the insuring agreement.

But once this endorsement takes effect, it may not be canceled by you or us.

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### **How Coverage Is Changed**

The following is added to the When This Agreement Covers section. This change broadens coverage.

**An extended reporting period applies.** We'll apply this agreement to claims or suits for covered loss when they're first made or brought against a protected person during the extended reporting period.

We explain how the extended reporting period applies in the How the extended reporting period applies section.

### **Other Terms**

All other terms of your policy remain the same.

## PUBLIC ENTITY MANAGEMENT LIABILITY PROTECTION

This insuring agreement provides management liability protection for the conduct of duties by or for a public entity. There are, of course, exclusions and limitations, and terms with defined meanings, throughout this agreement which apply to that protection. Certain terms that have or include defined meanings shown in this agreement are listed in the List Of Terms With Defined Meanings Shown In This Agreement section, which also shows where their defined meanings are located. This agreement should be read carefully to determine the extent of the coverage provided to you and other protected persons.

**Important note: This insuring agreement includes defense expenses within the deductible.** You'll be responsible for paying defense expenses within the deductible if it applies.

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required to pay as damages for covered loss that:

- results from the conduct of duties by or for a public entity; and
- is caused by a wrongful act first committed while this agreement is in effect.

We'll consider each wrongful act in a series of related wrongful acts to be committed on the date the first wrongful act in that series is committed.

**Protected person** means any person or organization that qualifies as a protected person under the Who Is Protected Under This Agreement section.

**Public entity** means a municipality, county, or other governmental body, department, or unit.

**Wrongful act** means any act, error, or omission.

**Related wrongful acts** means two or more wrongful acts that have as a common connection, tie, or link any fact, circumstance, situation, event, transaction, cause, or any series of related facts, circumstances, situations, events, transactions, or causes.

**Right and duty to defend a protected person.**

We'll have the right and duty to defend any protected person against a claim or suit for loss covered by this agreement. We'll have such right and duty even if all of the allegations of the claim or suit are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any wrongful act and to investigate and settle any claim or suit to the extent that we believe is proper. This includes the right to settle any claim or suit within:

- any deductible that applies; or
- the available limit of coverage.

Our duty to defend protected persons ends when we have used up the limit of coverage that applies with the payment of:

- judgments; or
- settlements.

**Claim** means a demand that seeks damages.

**Suit** means a civil proceeding that seeks damages, including:

- an arbitration proceeding for damages to which the protected person must submit or submits with our consent; or
- any other alternative dispute resolution proceeding for damages to which the protected person submits with our consent.

**Additional payments.** We'll have the duty to make only the payments shown below, in addition to the limits of coverage, in connection with any claim or suit against a protected person when we:

- investigate or settle the claim or suit;
- defend the protected person against the claim or suit; or
- pay our part of a judgment.

Our duty to make such payments ends when we have used up the limit of coverage that applies with the payment of:

- judgments; or
- settlements.

**Our expenses.** We'll pay all expenses, including defense expenses, we incur.

**Defense expenses** means any of the following fees, costs, or expenses that result directly from the investigation, defense, or appeal of a specific claim or suit:

- Fees, costs, or expenses of hired or appointed attorneys.
- The costs of proceedings involved in the suit, including court reporter's, arbitrator's, or mediator's fees.
- Independent expert's or special investigator's fees, costs, or expenses.

But we won't consider any of the following to be defense expenses:

- Our expenses, including salaries, wages, or travel expenses of our employees, other than fees, costs, or expenses incurred by us in connection with a specific claim or suit.
- Fees, costs, or expenses of independent adjusters or attorneys for adjusting claims.
- Fees, costs, or expenses for coverage opinions.
- Payments we make under the Right to appeal a judgment against a protected person section.

- Our recovery expenses, as explained in the Recovering Damages From A Third Party section in your General Rules, which is a part of your policy.

***Bonds to release property.*** We'll pay the cost of bonds to release property that's being used to secure a legal obligation. But only for bond amounts within the limit of coverage that applies. We don't have to furnish such bonds.

***Expenses incurred by a protected person with our consent.*** We'll pay all reasonable expenses that any protected person incurs at our request while helping us investigate or settle, or defend a protected person against, a claim or suit. But we won't pay more than \$500 per day for earnings actually lost by a protected person because of time taken off from work.

***Taxed costs.*** We'll pay all costs taxed against any protected person for covered loss in a suit.

***Prejudgment interest.*** We'll pay the interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of that offer.

***Postjudgment interest.*** We'll pay the interest that accumulates on the full amount of a judgment against the protected person from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment. But if we don't pay part of the judgment for any reason other than it's more than the limit of coverage that applies, we won't pay the postjudgment interest that accumulates on that part of the judgment.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment awarded in a suit that includes damages for covered loss if:

- we defend a protected person against the suit; and
- the judgment is awarded against the protected person.

If we appeal such a judgment, we'll pay all expenses which result directly from that appeal, including postjudgment interest and the cost of appeal bonds. Such appeal expenses are in addition to the limits of

coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

### **When This Agreement Covers**

We'll apply this agreement to claims or suits for covered loss whenever they're made or brought.

### **Where This Agreement Covers**

We'll apply this agreement to covered loss that is caused by a wrongful act committed anywhere in the world. But only if the protected person's liability for loss is determined in a suit on the merits brought in the coverage territory, or in a settlement agreed to by us. And we'll only make payments under this agreement in the coverage territory.

***Coverage territory*** means:

- the United States of America, including its territories and possessions and Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

### **Who Is Protected Under This Agreement**

**Public entity.** If you're shown in the Introduction as a named insured and a public entity, you're a protected person.

**Elected or appointed officials.** Your lawfully elected or appointed officials, directors, or executive officers are protected persons only for the conduct of their duties as your elected or appointed officials, directors, or executive officers.

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your operations.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and

- within the scope of their duties for you.

**Employee** includes a leased worker.

**Leased worker** means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's operations.

**Employee leasing firm** means any person or organization that hires out workers to others, including any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

**Volunteer worker** means any person who:

- isn't working within the scope of his or her employment as an employee;
- donates his or her work; and
- isn't paid a fee, salary, or other compensation for that work.

**Legal representatives of certain protected persons.** Any legal representative of a protected person who has died, or become mentally incompetent, insolvent, or bankrupt, is a protected person, but only for the rights and duties of that deceased, mentally incompetent, insolvent, or bankrupt protected person under this agreement.

**Legal representative** includes the estate, heirs, executors, administrators, or trustees of such a protected person.

**Boards.** Your boards are protected persons. Members of your boards are protected persons only for the conduct of their duties for you or for your boards. And employees of your boards are protected persons only for:

- work done within the scope of their employment by your boards; or
- their performance of duties related to the conduct of the operations of your boards.

However, no such board, member, or employee is a protected person if there's valid and collectible other insurance for loss covered by this agreement that is available to such board, member, or employee.

**Your boards** means any board, commission, or other governmental unit or department that:

- is under your complete control; and
- is funded and operated as part of your total operating budget.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, all protected persons share the limits of coverage shown in the Coverage Summary. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in your General Rules, which is a part of your policy.

## **Limits Of Coverage**

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making claims or bringing suits.

The limits of coverage apply excess of any applicable deductible and aren't reduced by the payment of that deductible.

**Each wrongful act limit.** This is the most we'll pay as damages for all claims or suits for covered loss that is caused by:

- the same wrongful act; or
- related wrongful acts.

**Total limit.** This is the most we'll pay as damages for the combined total of all claims or suits for covered loss caused by all wrongful acts first committed in a policy year.

**Policy year** means the policy period shown in the Introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the Introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining nine-month period. During the third policy year, you request and we provide, two separate extensions of the policy period: a three-month extension and then a four-month extension. As a result, the third policy year becomes sixteen months long and is still subject to the same limits of coverage that applied when it was nine months long.*

**How the limits of coverage apply if the total limit is left blank.** If the amount of the total limit is left blank in the Coverage Summary, we'll consider that total limit to be the same as the each wrongful act limit or \$100,000, whichever amount is more.

## **Deductible**

The deductible shown in the Coverage Summary and the information contained in this section fix the amount of damages and defense expenses that you'll be responsible for paying and over which the limits of coverage will apply, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

The deductible won't apply to payments we make under the Additional payments section, other than defense expenses.

**Each wrongful act deductible.** You'll be responsible for the amount of damages and defense expenses within this deductible for

all claims or suits for covered loss that is caused by:

- the same wrongful act; or
- related wrongful acts.

**Repayment of deductible.** If we settle a claim or suit for damages, or pay a judgment for damages awarded in a suit, that are subject to a deductible, we'll pay the deductible as part of the settlement or judgment, unless you and we agree to do otherwise. You agree to repay us the deductible amount as soon as we notify you of our payment.

Also, if we pay defense expenses that are subject to a deductible, you agree to repay us that amount as soon as we notify you of our payment.

If you fail to repay us a deductible amount that applies to damages or defense expenses, and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:

- Our deductible recovery expenses.
- Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

If the deductible amount awarded to us is less than the full amount of the deductible payment we sought, our deductible recovery expenses will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.

**Our deductible recovery expenses** means all fees, costs, and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you.

## **Exclusions – What This Agreement Won't Cover**

**Boards and commissions.** We won't cover loss that results from any activities or operations of the following boards, commissions, or governmental units or departments:

- Airports.
- Electric or gas utilities.
- Health care facilities, including clinics, hospitals, nursing homes, rehabilitation facilities, or blood banks.
- Housing authorities.

- Joint power authorities or entities.
- Port authorities.
- Schools or school districts.
- Transit authorities.

**Breach of contract.** We won't cover loss that results from the failure of any protected person to do what is required by any contract or agreement, other than a mutual aid agreement.

**Claims or suits by protected persons against protected persons.** We won't cover loss for which any claim or suit is made or brought by, or on behalf of, any current or former protected person against any current or former protected person.

**Complaint or enforcement action.** We won't cover loss that results from any complaint, enforcement action, claim, or suit brought by or for any federal, state, or local governmental regulatory or enforcement agency against any protected person.

**Contract liability.** We won't cover loss for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to loss for which the protected person would have liability without the contract or agreement.

**Criminal, malicious, dishonest, or fraudulent acts or omissions, or knowing violations of rights or laws.** We won't cover loss that results from any criminal, malicious, dishonest, or fraudulent act or omission, or any knowing violation of rights or laws, committed by:

- the protected person; or
- anyone with the consent or knowledge of the protected person.

However, we won't apply this exclusion to our duty to defend that protected person until it has been determined or admitted in a legal proceeding that such act, omission, or knowing violation was committed by:

- the protected person; or
- anyone with the consent or knowledge of the protected person.

**Debt financing.** We won't cover loss that results from any type of debt financing issued by or for you.

*Debt financing* includes bonds, debentures, guarantees of debt, or notes.

**Declaratory, injunctive, or other non-monetary relief costs.** We won't cover:

- any cost, expense, or fee; or
- any amount required to comply with a court or administrative order, judgment, ruling or decree, or a federal, state, or local law;

that results from any action or demand, or any part of any claim or suit, which seeks declaratory, injunctive, or other non-monetary relief.

Such costs, expenses, fees, or amounts include the following:

- The costs of physical alterations or other changes made to accommodate or afford accessibility to any disabled person.
- The costs of developing, implementing, or enforcing any company policy, procedure, or program.

*Declaratory, injunctive, or other non-monetary relief* includes:

- a judgment which declares the rights and duties of any person or organization; or
- any type of injunction, restraining order, or any other non-monetary relief.

**Employee benefit plans administration.** We won't cover loss that results from any wrongful act committed by or for any protected person in:

- the administration of any employee benefit plan; or
- the conduct of any fiduciary duty for any employee benefit plan.

**Employment-related practices.** We won't cover loss that results from a wrongful employment practice offense.

*Wrongful employment practice offense* means any of the following offenses:

- Employment discrimination.
- Wrongful employment termination.
- Employment-related harassment.
- Retaliatory action against any of your employees.
- Wrongful, excessive, or unfair discipline of any of your employees.
- Wrongful hiring, supervision, or demotion of, or failure to promote, any of your employees.
- Employment-related misrepresentation, defamation, libel, slander, disparagement, or invasion of privacy.



**Employment discrimination** means any employment-related violation of a person's rights with respect to:

- the person's race, color, national origin, religion, gender, marital status, age, sexual orientation, or physical or mental disability; or
- any other class or characteristic afforded rights under any federal, state, or local law, rule, or regulation.

**Employment-related harassment** means any unwelcome sexual advance, request for any sexual favor, or other verbal, visual, or physical conduct of a sexual or non-sexual nature, when such conduct:

- is connected to a decision affecting a person's employment by you;
- is connected to a decision affecting a person's status as your independent contractor;
- interferes with a person's job performance for you or a person's performance of duties related to the conduct of your operations; or
- creates an intimidating, hostile, or offensive working environment affecting a person's employment by you or a person's performance of duties related to the conduct of your operations.

**Independent contractor** means any person who:

- has a contract with you to perform for you certain duties related to the conduct of your operations; and
- isn't your employee or volunteer worker.

**Retaliatory action** includes any employment-related action directed at any of your employees that is in response to the employee's:

- exercising any legally afforded rights;
- supporting in any way another person's exercise of any legally afforded rights;
- participating in any strikes or lockouts;
- making any claims or suits against you or any other protected person;
- testifying against you or any other protected person in any legal proceedings;
- declining to perform any illegal or unethical acts; or
- threatened or actual reporting of any illegal operations or activities actually or allegedly conducted within your operations.

**Health care professional services.** We won't cover loss that results from the performance of or failure to perform health care professional services.

**Health care professional services** includes:

- dental, medical, mental, nursing, surgical, x-ray and other health care professional services, including any advice, instruction, food or beverages provided with such service;
- the dispensing of drugs or medical or dental supplies and appliances; and
- the handling or treatment of corpses, including autopsies, organ donations, and other postmortem procedures.

**Injury or damage.** We won't cover loss resulting from injury or damage.

**Injury or damage** means:

- bodily injury, personal injury, or advertising injury; or
- property damage.

**Bodily injury** means any physical harm, including sickness or disease, to the physical health of other persons.

We'll consider any of the following that happens at any time to be part of such physical harm, sickness, or disease, if it results in or from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

**Property damage** means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged.

**Tangible property** doesn't include data.

**Personal injury** means injury, other than bodily injury or advertising injury, that:

- results from your operations; and
- is caused by a personal injury offense.

**Personal injury offense** means any of the following offenses:

- False arrest, detention, or imprisonment.
- Malicious prosecution.

- Wrongful entry into, or wrongful eviction from, a room, dwelling, or premises that a person occupies, if such entry or eviction is committed by or for the landlord, lessor, or owner of that room, dwelling, or premises.
- Invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, if such invasion is committed by or for the landlord, lessor, or owner of that room, dwelling, or premises.
- Libel or slander.
- Making known to any person or organization material, in any form of expression, that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization material, in any form of expression, that violates a person's right of privacy.

**Advertising injury** means injury, other than bodily injury or personal injury, that:

- results from the advertising of your facilities, operations, or services, or your products, your work, or your completed work; and
- is caused by an advertising injury offense.

**Advertising injury offense** means any of the following offenses:

- Libel or slander.
- Making known to any person or organization material, in any form of expression, that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization material, in any form of expression, that violates a person's right of privacy.
- Unauthorized use of any advertising idea or advertising material, or any slogan or title, of others in your advertising.

**Advertising** means attracting the attention of others by any means for the purpose of seeking or increasing:

- interest or participation in civic, educational, entertainment, recreational, or social activities or events;
- private or public development, growth, or investment;
- use of facilities or services by others; or

- visits by tourists, travelers, or membership, trade, or similar groups, organizations, or shows.

**Advertising idea** means a manner or style of advertising that others use and intend to attract attention in their advertising.

**Advertising material** means any material that:

- is subject to copyright law; and
- others use and intend to attract attention in their advertising.

**Slogan** means a phrase that others use and intend to attract attention in their advertising.

**Title** means a name of a literary or artistic work.

**Insurance.** We won't cover loss that results from the failure to obtain or maintain any type or amount of insurance.

**Insurance** includes any type of bond or self-insurance program.

**Intellectual property.** We won't cover loss that results from any actual or alleged infringement or violation of any of the following rights or law:

- Copyright.
- Patent.
- Trade dress.
- Trade name.
- Trade secret.
- Trademark.
- Other intellectual property rights or laws.

**Investments.** We won't cover loss that results from the purchase, sale, issuance, or distribution, or offer to purchase or sell, any debt or equity securities, or other investments.

**Known wrongful acts.** We won't cover loss that results from any wrongful act, including any part of related wrongful acts, that any described authorized person knew about before the beginning date from which we, or any of our affiliated insurance companies, have continuously provided this public entity management liability protection to you.

***Described authorized person*** means any person while he or she is your:

- Elected or appointed official, director, or executive officer, or member of any of your boards.
- Employee and is or acts as your insurance or risk manager or holds a position in your insurance, risk management, or legal department.

**Law enforcement activities or operations.** We won't cover loss that results from law enforcement activities or operations.

***Law enforcement activities or operations*** means any of the official activities or operations of your police department, sheriff agency, or other public safety organization which enforces the law and protects persons or property.

They include the following:

- Ownership, maintenance, or use of a premises that you own, rent, lease, or borrow in order to perform such activities or operations.
- Providing first aid at the time of an accident, crime, or medical emergency.

**Multiplied damages.** We won't cover that portion of any multiplied damage award which exceeds the amount multiplied.

**Network and information security liability.** We won't cover loss that results from a network and information security wrongful act.

***Network and information security wrongful act*** means any of the following committed by or for a protected person in the conduct of your operations:

- Failure to prevent the transmission of a computer virus.
- Failure to provide any authorized user of your website or your computer or communications network with access to such website or such computer or communications network.
- Failure to prevent unauthorized access to, or use of, electronic data containing private or confidential information of others.

***Computer virus*** means malicious code that is introduced through your website or your computer or communications network. Once introduced, such code may destroy, alter, contaminate, or degrade the integrity, quality, or performance of data of any

computer application software, computer network, or computer operating system or related software.

***Authorized user*** includes your customer, supplier, or supporter.

***Your computer or communications network*** means any computer or communications network that you rent, lease, license, or borrow from others, own, or operate.

**Nuclear material.** We won't cover loss that results from the hazardous properties of any nuclear material.

***Hazardous properties*** include radioactive, toxic, or explosive properties.

***Nuclear material*** means any nuclear material defined in the Federal Atomic Energy Act, or any of its amendments.

**Pollution.** We won't cover loss that results from pollution.

We also won't cover any loss, cost, or expense that results from:

- any request, demand, order, or statutory or regulatory requirement that any protected person or others perform pollution work; or
- any claim by or for any governmental authority for damages that result from the performance of pollution work.

***Pollution*** means any actual, alleged, or threatened discharge, dispersal, escape, migration, release, or seepage of any pollutant.

***Pollutant*** means any solid, liquid, gaseous, or thermal irritant or contaminant, including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste.

***Waste*** includes materials to be recycled, reconditioned, or reclaimed.

***Pollution work*** means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing of any pollutant; or
- the responding to, or assessing, in any way the effects of any pollutant.

**Sexual harassment.** We won't cover loss that results from any unwelcome sexual advance, request for any sexual favor, or other verbal, visual, or physical conduct of a sexual nature.

**Strikes, riots, demonstrations, or civil commotions.** We won't cover loss that results from any strike, riot, protest, demonstration, lock-out, or civil commotion.

**Taking of private property for public use or benefit.** We won't cover loss that results from the taking or controlling of private property for public use or benefit, including the diminution in value of such property, by condemnation, inverse condemnation, adverse possession, dedication by adverse use, or any other method or proceeding.

**Taxes.** We won't cover loss that results from the improper administration or collection of taxes, or loss that reflects any tax obligation.

**Unlawful personal gains.** We won't cover loss that results from any protected person's personal profit, advantage, or compensation to which that protected person is not legally entitled.

**Workers compensation or other benefits laws.** We won't cover any obligation that the protected person has under any:

- workers compensation law;
- disability benefits law;
- unemployment compensation law; or
- similar law.

## **Other Insurance**

This agreement is primary insurance. However, if there is any valid and collectible other insurance for loss covered by this agreement, we'll apply this agreement in connection with that other insurance in accordance with the rest of this section.

**Other insurance** means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self insurance method or program; or

- any similar risk transfer or risk management method.

However, we won't consider umbrella insurance or excess insurance that you bought specifically to apply in excess of the limits of coverage that apply under this agreement to be other insurance.

**Primary or excess other insurance.** When there's primary other insurance for loss covered by this agreement, we'll pay that portion of the damages which:

- exceeds the deductible; and
- equals our percentage of the total of all limits of coverage that apply.

But we won't pay more than the limit of coverage that applies under this agreement. For example:

*The limit of coverage under this agreement is \$1,000,000. Another insurance policy with a limit of \$250,000 that covers the protected person as a named insured also covers loss covered by this agreement. We won't pay more than 80% (\$1,000,000/\$1,250,000) of the loss, less any deductible.*

However, we'll apply this agreement as excess insurance over the part or parts of any primary or excess other insurance that provide coverage for you as an additional insured or additional protected person.

We explain how we'll apply this agreement as excess insurance in the When this agreement is excess insurance section.

## **When this agreement is excess insurance.**

When this agreement is excess insurance, we won't have a duty to defend any claim or suit that any provider of other insurance has a duty to defend.

However, we'll defend a claim or suit for covered loss if no provider of other insurance will do so. In return, we'll require that the protected persons give us all of their rights against each such provider of other insurance.

Also, we'll pay only the amount of damages that's in excess of:

- the total amount that all such other insurance would pay if this agreement didn't exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

But we won't pay more than the limit of coverage that applies under this agreement.

### **List Of Terms With Defined Meanings Shown In This Agreement**

This section lists, in alphabetical order, the terms that have or include defined meanings shown in this agreement. The defined meaning for each of these terms:

- begins on the page shown for that term; and
- is usually located immediately following where that term is first used in this agreement.

However, one or more endorsements or other forms made part of your policy may, without changing this section:

- delete or change the defined meanings for any of these terms; or
- add a defined meaning for any other term.

<b>Term</b>	<b>Page</b>
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Advertising idea	8
Advertising injury	8
Advertising injury offense	8
Advertising material	8
Authorized user	9
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Wrongful employment practice offense	6
Your boards	4
Your computer or communications network	9

**PUBLIC SECTOR SERVICES  
DESCRIBED BOARDS AND COMMISSIONS EXCLUSION ENDORSEMENT –  
PUBLIC ENTITY MANAGEMENT LIABILITY**

This endorsement changes your Public Entity  
Management Liability Protection.

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**How Coverage Is Changed**

The following replaces the Boards and  
commissions exclusion. This change  
broadens coverage.

**Other Terms**

All other terms of your policy remain the  
same.

**Described boards and commissions.** We won't  
cover loss that results from any activities  
or operations of the following boards,  
commissions, or governmental units or  
departments, which are described below and  
indicated by an ☒:

**Described boards and commissions:**

Airports

Electric utilities

Gas utilities

Health care facilities, including clinics,  
hospitals, nursing homes, rehabilitation  
facilities, or blood banks

Housing authorities

Joint powers authorities or entities

Port authorities

Schools or school districts

Transit authorities

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**Name of Insured**

**Policy Number**

**Effective Date**

**Processing Date**

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**PUBLIC ENTITY MANAGEMENT LIABILITY PROTECTION  
COVERAGE SUMMARY**



This Coverage Summary shows the limits of coverage and deductibles that apply to your Public Entity Management Liability Protection. It also lists those endorsements, if any, that must have certain information shown for them to apply.

Limits Of Coverage		Deductibles	
Total limit.	\$	Each wrongful act deductible.	\$
Each wrongful act limit.	\$		

**Named Endorsement Table**

**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.

Name of Insured	Policy Number	Effective Date
		Processing Date





## **PRIOR LOSS COVERAGE ENDORSEMENT – PUBLIC ENTITY MANAGEMENT LIABILITY**

This endorsement changes your Public Entity Management Liability Protection.

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### **How Coverage Is Changed**

The following is added to the Public entity management liability section. This change broadens coverage.

We'll also pay amounts any protected person is legally required to pay as damages for covered loss that:

- results from the conduct of duties by or for a public entity;
- is caused by a wrongful act first committed during the described prior time period; and
- isn't previously known loss.

We'll consider all loss covered by the Prior Loss Coverage Endorsement to have been caused by a wrongful act first committed on the first day of the policy period shown in the Introduction, regardless of when such wrongful act was actually committed.

*Described prior time period* means the period that:

- begins on \_\_\_\_\_ at 12:01 a.m. at the address shown for you in the Introduction of your policy; and
- ends when this agreement begins.

*Previously known loss* means loss that was caused by a wrongful act committed before this agreement begins and that was known by you or any described authorized person before this agreement begins as a result of any of the following at that time:

- You or any described authorized person reporting all or part of that loss, or any other loss caused by that wrongful act, to us or any other insurer.
- You or any described authorized person receiving a claim or suit for all or part of that loss or any other loss caused by that wrongful act.
- Any described authorized person witnessing, or being told of, all or part of that loss or any other loss caused by that wrongful act.

### **Other Terms**

All other terms of your policy remain the same.

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**Name of Insured**

**Policy Number**

**Effective Date**

**Processing Date**

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## **PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY PROTECTION – CLAIMS–MADE**

This insuring agreement provides employment practices liability protection for your operations. There are, of course, exclusions and limitations, and terms with defined meanings, throughout this agreement which apply to that protection. Certain terms that have or include defined meanings shown in this agreement are listed in the List Of Terms With Defined Meanings Shown In This Agreement section, which also shows where their defined meanings are located. This agreement should be read carefully to determine the extent of the coverage provided to you and other protected persons.

**Important note: This is a claims–made and reported insuring agreement that includes defense expenses within the limits of coverage.**

To be covered, a claim or suit must be first made or brought against a protected person while this agreement is in effect and reported to us while this agreement is in effect, or during the limited reporting period. If the extended reporting period applies, we'll also apply this agreement to a claim or suit first made or brought while this agreement is in effect or during the extended reporting period and first reported to us during such reporting period.

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## **What This Agreement Covers**

**Employment practices liability.** We'll pay amounts any protected person is legally required to pay as damages for covered employment injury that is caused by a wrongful employment practice offense first committed on or after the retroactive date and before the ending date of this agreement.

But only if such covered employment injury results in a claim or suit first:

- made or brought against a protected person and reported to us while this agreement is in effect;
- made or brought against a protected person while this agreement is in effect and reported to us during the limited reporting period, or during the extended reporting period if such reporting period applies; or
- made or brought against a protected person during the extended reporting period and reported to us during such reporting period, if such reporting period applies.

We'll consider each wrongful employment practice offense in a series of related wrongful employment practice offenses to be committed on the date the first wrongful employment practice offense in that series is committed.

We'll consider damages to include attorneys' fees of the person or organization making or bringing the claim or suit if the protected person is legally required to pay such fees under the law which the wrongful employment practice offense violated.

**Protected person** means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement section.

**Employment injury** means employment-related harm to any of your:

- current, former, or prospective employees; or
- independent contractors.

**Independent contractor** means any person who:

- has a contract with you to perform for you certain duties related to the conduct of your operations; and
- isn't your employee or volunteer worker.

**Wrongful employment practice offense** means any of the following offenses:

- Employment discrimination.
- Wrongful employment termination.
- Employment-related harassment.
- Retaliatory action against any of your employees.
- Wrongful, excessive, or unfair discipline of any of your employees.
- Wrongful hiring, supervision, or demotion of, or failure to promote, any of your employees.
- Employment-related misrepresentation, defamation, libel, slander, disparagement, or invasion of privacy.

**Employment discrimination** means any employment-related violation of a person's rights with respect to:

- the person's race, color, national origin, religion, gender, marital status, age, sexual orientation, or physical or mental disability; or
- any other class or characteristic afforded rights under any federal, state, or local law, rule, or regulation.

**Employment-related harassment** means any unwelcome sexual advance, request for any sexual favor, or other verbal, visual, or physical conduct of a sexual or non-sexual nature, when such conduct:

- is connected to a decision affecting a person's employment by you;
- is connected to a decision affecting a person's status as your independent contractor;
- interferes with a person's job performance for you or a person's performance of duties related to the conduct of your operations; or
- creates an intimidating, hostile, or offensive working environment affecting a person's employment by you or a person's performance of duties related to the conduct of your operations.

**Retaliatory action** includes any employment-related action directed at any of your employees that is in response to the employee's:

- exercising any legally afforded rights;
- supporting in any way another person's exercise of any legally afforded rights;
- participating in any strikes or lockouts;

- making any claims or suits against you or any other protected person;
- testifying against you or any other protected person in any legal proceedings;
- declining to perform any illegal or unethical acts; or
- threatened or actual reporting of any illegal operations or activities actually or allegedly conducted within your operations.

***Retroactive date*** means the earliest date that a wrongful employment practice offense may first be committed and be covered by this agreement. The retroactive date is shown in the Coverage Summary. However, if no retroactive date is shown in the Coverage Summary, we'll consider the retroactive date to be the same as the beginning date of this agreement.

***Related wrongful employment practice offenses*** means:

- any repeated or continuous wrongful employment practice offense that is related to the same employment injury, regardless of the number of employees sustaining such injury; or
- two or more wrongful employment practice offenses that have as a common connection, tie, or link any fact, circumstance, situation, event, transaction, cause, or any series of related facts, circumstances, situations, events, transactions, or causes.

**Right and duty to defend a protected person.**

We'll have the right and duty to defend any protected person against a claim or suit for employment injury covered by this agreement. We'll have such right and duty even if all of the allegations of the claim or suit are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any wrongful employment practice offense and to investigate and settle any claim or suit to the extent that we believe is proper. This includes the right to settle any claim or suit within:

- any deductible that applies; or
- the available limit of coverage.

Our duty to defend protected persons ends when we have used up the limit of coverage that applies with the payment of:

- judgments;
- settlements; or

- defense expenses.

When we defend a claim or suit against a protected person, we'll pay for reasonable defense expenses. Payment of such defense expenses will reduce the available limits of coverage. We explain how in the Limits Of Coverage section.

***Claim*** means a demand that seeks damages.

***Suit*** means:

- a civil proceeding that seeks damages, including an arbitration proceeding for damages to which the protected person must submit or submits with our consent, or any other alternative dispute resolution proceeding for damages to which the protected person submits with our consent; or
- any administrative proceeding or hearing conducted by a governmental agency having the proper legal authority to conduct such proceeding or hearing.

***Defense expenses*** means any of the following fees, costs, or expenses that result directly from the investigation, defense, or appeal of a specific claim or suit:

- Fees, costs, or expenses of hired or appointed attorneys.
- The costs of proceedings involved in the suit, including court reporter's, arbitrator's, or mediator's fees.
- Independent expert's or special investigator's fees, costs, or expenses.
- Expenses incurred by a protected person with our consent.
- Costs for any appeal, attachment, or similar required bonds.
- Costs taxed against a protected person for covered employment injury in a suit, other than attorneys' fees of the person or organization making or bringing the claim or suit.

But we won't consider any of the following to be defense expenses:

- Our expenses, including salaries, wages, or travel expenses of our employees, other than fees, costs, or expenses incurred by us in connection with a specific claim or suit.
- Fees, costs, or expenses of independent adjusters or attorneys for adjusting claims.
- Fees, costs, or expenses for coverage opinions.

- Our recovery expenses, as explained in the Recovering Damages From A Third Party section in your General Rules, which is a part of your policy.

**Expenses incurred by a protected person with our consent** means the reasonable expenses that any protected person incurs at our request while helping us investigate or settle, or defend a protected person against, a claim or suit. But we won't pay more than \$500 per day for earnings actually lost by a protected person because of time taken off from work.

**Transfer of control of defense.** Before the available limit of coverage is used up, you may take over from us control of the defense, including the appeal, of any outstanding claim or suit previously reported to us if:

- we and you agree; or
- a court orders you to do so.

If the available limit of coverage is used up, we'll notify you as soon as we can of all outstanding claims or suits, so you can arrange to take over control of their defense.

We agree to take whatever steps are necessary during a transfer of control of defense of an outstanding claim or suit to continue that defense and avoid a default judgment during such transfer. When we take such steps, you agree that we don't waive or give up any of our rights. You also agree to repay the reasonable expenses we incur for such steps taken after the available limit of coverage is used up.

**Additional payments.** We'll have the duty to make only the payments shown below, in addition to the limits of coverage, in connection with any claim or suit under this agreement against a protected person when we:

- investigate or settle the claim or suit;
- defend the protected person against the claim or suit; or
- pay our part of a judgment.

Our duty to make such payments ends when we have used up the limit of coverage that applies with the payment of:

- judgments;
- settlements; or
- defense expenses.

**Our expenses.** We'll pay all expenses, other than defense expenses, we incur.

**Prejudgment interest.** We'll pay the interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of that offer.

**Postjudgment interest.** We'll pay the interest that accumulates on the full amount of a judgment against the protected person from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment. But if we don't pay part of the judgment for any reason other than it's more than the limit of coverage that applies, we won't pay the postjudgment interest that accumulates on that part of the judgment.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment awarded in a suit that includes damages for covered employment injury if:

- we defend a protected person against the suit; and
- the judgment is awarded against the protected person.

If we appeal such a judgment, we'll pay all expenses that result directly from that appeal. We'll consider such expenses to be defense expenses. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

## **When This Agreement Covers**

**When a claim or suit must be first made or brought against a protected person and reported to us.** We'll apply this agreement to claims or suits for employment injury covered by this agreement only when they're first:

- made or brought against a protected person and reported to us while this agreement is in effect;
- made or brought against a protected person while this agreement is in effect and reported to us during the limited reporting period, or during the extended reporting period if such reporting period applies; or
- made or brought against a protected person during the extended reporting period and reported to us during such

reporting period, if such reporting period applies.

**Limited reporting period** means the 60 days, starting with the ending date of this agreement, during which claims or suits for covered employment injury that are first made or brought against a protected person while this agreement is in effect may be first reported to us.

**Extended reporting period** means the 12-month period of time, starting with the ending date of this agreement, during which claims or suits for covered employment injury:

- that are first made or brought against a protected person while this agreement is in effect may be first reported to us; or
- may be first made or brought against a protected person and first reported to us.

**When we consider a claim or suit to be first made or brought.** We'll consider a claim or suit for covered employment injury to be first made or brought against a protected person on the earliest of the following dates:

- The date that we or any protected person first receives written notice of such claim or suit.
- The date that we first receive written notice from any protected person of a specific wrongful employment practice offense that caused the employment injury which resulted in such claim or suit.

We'll consider all claims or suits for covered employment injury caused by:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses;

to have been first made or brought on the date that the first of those claims or suits was first made or brought, regardless of whether such date is before or while this agreement is in effect.

**When we consider a claim or suit to be first reported to us.** We'll consider a claim or suit for covered employment injury to be first reported to us on the earlier of the following dates:

- The date that we first receive a written notice of such claim or suit from any protected person or from the person or organization making or bringing the claim or suit.

- The date that we first receive a written notice from any protected person of a specific wrongful employment practice offense that caused the employment injury which resulted in such claim or suit.

We'll consider all claims or suits for covered employment injury caused by:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses;

to have been first reported to us when the first of those claims or suits is first reported to us.

**What we require in a written notice of a specific wrongful employment practice offense.**

We won't consider a claim or suit to be first made or brought against a protected person and reported to us on the date we first receive written notice of a specific wrongful employment practice offense unless that notice contains the following information:

- A description of the wrongful employment practice offense, including its date, time, place, and circumstances.
- The nature of the potential damages.
- The names of each actual or potential claimant and protected person involved.
- The manner in which each of the protected persons first became aware of the circumstances involved.

Notice to us that:

- all or part of any protected person's acts or omissions may in the future be discovered to be a wrongful employment practice offense; and
- any protected person may in the future receive written notice of a wrongful employment practice offense, claim, or suit;

is not notice of a specific wrongful employment practice offense.

**When the limited reporting period will apply.**

The limited reporting period will automatically apply to this agreement without an additional premium. The limited reporting period may not be canceled by you or us once it applies.

However, the limited reporting period won't apply to claims or suits for covered employment injury that:

- are covered by any other insurance you buy that takes effect on or after the ending date of this agreement; or
- would have been covered by such insurance if its limits of coverage hadn't been used up.

**How the limited reporting period applies.** The limited reporting period doesn't extend the time that this agreement is in effect. As a result, we'll consider any claim or suit for covered employment injury that is:

- first made or brought against a protected person while this agreement is in effect; and
- first reported to us during the limited reporting period;

to have been first made or brought against a protected person and first reported to us on the ending date of this agreement.

**When and how an extended reporting period can be added.** If this agreement is canceled or not renewed for any reason, an extended reporting period can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

Also, if we renew or replace this agreement with insurance that does not provide coverage on a claims-made basis, an extended reporting period can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

However, the Extended Reporting Period Endorsement won't take effect unless we receive all of the following within 60 days after the ending date of this agreement and you have fulfilled all other duties, and complied with all other conditions and requirements, under this agreement:

- A written request from you to purchase the Extended Reporting Period Endorsement.
- Full payment of the earned premium for this agreement.
- Payment of the additional premium for the Extended Reporting Period Endorsement.
- Repayment of any deductible you owe us under this agreement.

But once the Extended Reporting Period Endorsement takes effect, it may not be canceled by you or us.

**How the extended reporting period applies.** When the extended reporting period applies, it replaces the limited reporting period. The

extended reporting period doesn't extend the time that this agreement is in effect. As a result, when the extended reporting period applies, we'll consider any claim or suit for covered employment injury that is:

- first made or brought against a protected person while this agreement is in effect and first reported to us during the extended reporting period; or
- first made or brought against a protected person and first reported to us during the extended reporting period;

to have been first made or brought against a protected person and first reported to us on the ending date of this agreement.

**How we'll figure the additional premium for the Extended Reporting Period Endorsement.** We'll figure the additional premium for the Extended Reporting Period Endorsement in accordance with our rules and rates. But we won't charge more than 75% of the annual premium for the last policy year of this agreement.

### **Where This Agreement Covers**

We'll apply this agreement to covered employment injury that is caused by a wrongful employment practice offense committed anywhere in the world. But only if the protected person's liability for such employment injury is determined in a suit on the merits brought in the coverage territory, or in a settlement agreed to by us. And we'll only make payments under this agreement in the coverage territory.

**Coverage territory** means:

- the United States of America, including its territories and possessions and Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

### **Who Is Protected Under This Agreement**

**Public entity.** If you're shown in the Introduction as a named insured and a public entity, you're a protected person.

**Elected or appointed officials.** Your lawfully elected or appointed officials, directors, or executive officers are protected persons only for the conduct of their duties as your

elected or appointed officials, directors, or executive officers.

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your operations.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

**Employee** includes a leased worker.

**Leased worker** means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's operations.

**Employee leasing firm** means any person or organization that hires out workers to others, including any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

**Volunteer worker** means any person who:

- isn't working within the scope of his or her employment as an employee;
- donates his or her work; and
- isn't paid a fee, salary, or other compensation for that work.

**Boards.** Your boards are protected persons. Members of your boards are protected persons only for the conduct of their duties for you or for your boards. And employees of your boards are protected persons only for:

- work done within the scope of their employment by your boards; or
- their performance of duties related to the conduct of the operations of your boards.

However, no such board, member, or employee is a protected person if there's valid and collectible other insurance for employment injury covered by this agreement that is available to such board, member, or employee.

**Your boards** means any board, commission, or other governmental unit or department that:

- is under your complete control; and
- is funded and operated as part of your total operating budget.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, all protected persons share the limits of coverage shown in the Coverage Summary. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in your General Rules, which is a part of your policy.

### **Limits Of Coverage**

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making claims or bringing suits.

The limits of coverage apply excess of any applicable deductible and aren't reduced by the payment of that deductible.

### **Each wrongful employment practice offense limit.**

This is the most we'll pay as damages and defense expenses for all claims or suits for covered employment injury that is caused by:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses.

**Total limit.** This is the most we'll pay as damages and defense expenses for the combined total of all claims or suits for covered employment injury that are:

- first made or brought against a protected person; and
- first reported to us; in a policy year.



We explain when we consider a claim or suit to be first made or brought and when we consider a claim to be first reported to us in the When This Agreement Covers section.

**Policy year** means the policy period shown in the Introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the Introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining nine-month period. During the third policy year, you request and we provide, two separate extensions of the policy period: a three-month extension and then a four-month extension. As a result, the third policy year becomes sixteen months long and is still subject to the same limits of coverage that applied when it was nine months long.*

**How the limits of coverage apply if the total limit is left blank.** If the amount of the total limit is left blank in the Coverage Summary, we'll consider that total limit to be the same as the each wrongful employment practice offense limit or \$100,000, whichever amount is more.

**How the limits of coverage apply to the limited and extended reporting periods.** The limits of coverage that apply on the ending date of this agreement aren't renewed or increased for claims or suits for covered employment injury that are:

- first made or brought against a protected person while this agreement is in effect and first reported to us during the limited

reporting period, or during the extended reporting period if such reporting period applies; or

- first made or brought against a protected person during the extended reporting period and first reported to us during such reporting period, if such reporting period applies.

## **Deductible**

The deductible shown in the Coverage Summary and the information contained in this section fix the amount of damages and defense expenses that you'll be responsible for paying and over which the limits of coverage will apply, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

The deductible won't apply to payments we make under the Additional payments section.

## **Each wrongful employment practice offense deductible.**

You'll be responsible for the amount of damages and defense expenses within this deductible for all claims or suits for covered employment injury that is caused by:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses.

**Repayment of deductible.** If we settle a claim or suit for damages, or pay a judgment for damages awarded in a suit, that are subject to a deductible, we'll pay the deductible as part of the settlement or judgment, unless you and we agree to do otherwise. You agree to repay us the deductible amount as soon as we notify you of our payment.

Also, if we pay defense expenses that are subject to a deductible, you agree to repay us that amount as soon as we notify you of our payment.

If you fail to repay us a deductible amount that applies to damages or defense expenses, and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:

- Our deductible recovery expenses.

- Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

If the deductible amount awarded to us is less than the full amount of the deductible payment we sought, our deductible recovery expenses will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.

*Our deductible recovery expenses* means all fees, costs, and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you.

### **Exclusions – What This Agreement Won't Cover**

**Bodily injury.** We won't cover bodily injury.

*Bodily injury* means any physical harm, including sickness or disease, to the physical health of other persons.

We'll consider any of the following that happens at any time to be part of such physical harm, sickness, or disease, if it results in or from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

**Breach of contract.** We won't cover employment injury that results from the failure of any protected person to do what is required by any written employment-related contract or agreement.

**Contract liability.** We won't cover employment injury for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to employment injury for which the protected person would have liability without the contract or agreement.

**Criminal, malicious, dishonest, or fraudulent acts or omissions, or knowing violations of rights or laws.** We won't cover employment injury that results from any criminal, malicious, dishonest, or fraudulent act or omission, or any knowing violation of rights or laws, committed by:

- the protected person; or

- anyone with the consent or knowledge of the protected person.

However, we won't apply this exclusion to our duty to defend that protected person until it has been determined or admitted in a legal proceeding that such act, omission, or knowing violation was committed by:

- the protected person; or
- anyone with the consent or knowledge of the protected person.

**Declaratory, injunctive, or other non-monetary relief costs.** We won't cover:

- any cost, expense, or fee; or
- any amount required to comply with a court or administrative order, judgment, ruling, or decree, or a federal, state, or local law;

that results from any action or demand, or any part of any claim or suit, which seeks declaratory, injunctive, or other non-monetary relief.

Such costs, expenses, fees, or amounts include the following:

- The costs of employment reinstatement or continued employment.
- The costs of unpaid compensation, other than front and back wages, earned by the injured person in the course of the person's employment.
- The costs of physical alterations or other changes made to accommodate or afford accessibility to any disabled person.
- The costs of developing, implementing, or enforcing any company policy, procedure, or program.

But we won't apply this exclusion to our duty to defend an administrative proceeding or hearing conducted by a governmental agency having the proper legal authority to conduct such proceeding or hearing.

*Declaratory, injunctive, or other non-monetary relief* includes:

- a judgment which declares the rights and duties of any person or organization; or
- any type of injunction, restraining order, or any other non-monetary relief.

**Employment termination or relocation due to operational decisions.** We won't cover employment injury that results from any termination of employment, or any job relocation or reassignment, that is necessary because you have:

- filed for bankruptcy protection, or been placed in receivership or liquidation;
- merged with, acquired, or been acquired by another entity; or
- transferred any part of your operations to the private sector.

**Fines or penalties.** We won't cover any fine or penalty.

But we won't consider punitive or exemplary damages to be a fine or penalty.

**Known wrongful employment practice offenses.** We won't cover employment injury that results from any wrongful employment practice offense, including any part of related wrongful employment practice offenses, that any described authorized person knew about before the beginning date from which we, or any of our affiliated insurance companies, have continuously provided this employment practices liability protection to you.

*Described authorized person* means any person while he or she is your:

- Elected or appointed official, director, or executive officer, or member of any of your boards.
- Employee and is or acts as your insurance or risk manager or holds a position in your insurance, risk management, or legal department.

**Multiplied damages.** We won't cover that portion of any multiplied damage award which exceeds the amount multiplied.

**Other employment laws.** We won't cover employment injury that results from any violation of any of the duties or responsibilities required of you as an employer by the following laws, amendments to those laws, or similar provisions of any other laws, rules, or regulations:

- Fair Labor Standards Act, except the Equal Pay Act.
- National Labor Relations Act.
- Worker Adjustment and Retraining Notification Act.
- Consolidated Omnibus Budget Reconciliation Act of 1985.
- Occupational Safety and Health Act.
- Employee Retirement Income Security Act of 1974.

But we won't apply this exclusion to employment injury that results from retaliatory action against any of your employees for the employee's exercising of rights afforded by such laws.

**Property damage.** We won't cover property damage.

*Property damage* means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged.

*Tangible property* doesn't include data.

**School operations.** We won't cover employment injury that results from the activities, operations, or administration of any school, college, or university.

**Strikes or lockouts.** We won't cover employment injury to any of your employees:

- on strike or locked out; or
- temporarily or permanently replaced; due to any labor dispute, including breach of a collective bargaining agreement.

But we won't apply this exclusion to employment injury that results from retaliatory action taken in response to any of your employees for participating in any strike or lockout.

**Workers compensation or other benefits laws.** We won't cover any obligation that the protected person has under any:

- workers compensation law;
- disability benefits law;
- unemployment compensation law; or
- similar law.

## **Other Insurance**

This agreement is primary insurance.

However, if there's any valid and collectible other insurance for employment injury covered by this agreement, we'll apply this agreement as excess insurance.

When this agreement is excess insurance, we won't have a duty to defend any claim or suit that any provider of other insurance has

a duty to defend. However, we'll defend a claim or suit for covered employment injury if no provider of other insurance will do so. In return, we'll require that the protected persons give us all of their rights against each such provider of other insurance.

Also, we'll pay only the amount of damages that's in excess of:

- the total amount that all such other insurance would pay if this agreement didn't exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

But we won't pay more than the limit of coverage that applies under this agreement.

**Other insurance** means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self insurance method or program; or
- any similar risk transfer or risk management method.

However, we won't consider umbrella insurance or excess insurance that you bought specifically to apply in excess of the limits of coverage for this agreement to be other insurance.

## **Representations**

By accepting this agreement, you agree that:

- the statements and representations made in your application for this employment practices liability protection, and in all materials submitted to us in connection with it, are accurate and complete;
- those statements and representations are material to our acceptance of risks assumed under this agreement; and
- we have relied on those statements and representations in issuing this agreement.

## **List Of Terms With Defined Meanings Shown In This Agreement**

This section lists, in alphabetical order, the terms that have or include defined meanings shown in this agreement. The defined meaning for each of these terms:

- begins on the page shown for that term; and
- is usually located immediately following where that term is first used in this agreement.

However, one or more endorsements or other forms made part of your policy may, without changing this section:

- delete or change the defined meanings for any of these terms; or
- add a defined meaning for any other term.

<b>Term</b>	<b>Page</b>
Bodily injury	9
Claim	3
Coverage territory	6
Declaratory, injunctive, or other non-monetary relief	9
Defense expenses	3
Described authorized person	10
Employee	7
Employee leasing firm	7
Employment discrimination	2
Employment injury	2
Employment-related harassment	2
Expenses incurred by a protected person with our consent	4
Extended reporting period	5
Independent contractor	2
Leased worker	7
Limited reporting period	5
Other insurance	11
Our deductible recovery expenses	9
Policy year	8
Property damage	10
Protected person	2
Related wrongful employment practice offenses	3
Retaliatory action	2
Retroactive date	3
Suit	3
Tangible property	10
Volunteer worker	7
Wrongful employment practice offense	2
Your boards	7

**PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY PROTECTION –  
CLAIMS-MADE COVERAGE SUMMARY**



This Coverage Summary shows the limits of coverage, deductible, and the retroactive date that apply to your Public Entity Employment Practices Liability Protection - Claims-Made. It also lists those endorsements, if any, that must have certain information shown for them to apply.

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**Limits Of Coverage**

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**Each wrongful employment  
practice offense limit.** \$

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**Total limit.** \$

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**Each wrongful employment  
practice offense deductible** \$

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**Retroactive Date:**

**Important Note:** If no date is shown above, we'll consider the retroactive date to be the same as the beginning date of this insuring agreement.

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**Named Endorsement Table**

**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply, too. If so, they're listed on the Policy Forms List.

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**Name of Insured**

**Policy Number**

**Effective Date**

**Processing Date**

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**PUBLIC SECTOR SERVICES  
EXTENDED REPORTING PERIOD ENDORSEMENT –  
PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY**

This endorsement changes your Public Entity Employment Practices Liability Protection - Claims-Made.

**Important Note:** This endorsement won't take effect unless:

- the additional premium for this endorsement, and the earned premium for your Public Entity Employment Practices Liability Protection - Claims-Made insuring agreement, is paid in full;
- any deductible you owe us under the insuring agreement is paid in full; and
- you have fulfilled all other duties, and complied with all other conditions and requirements, under the insuring agreement.

But once this endorsement takes effect, it may not be canceled by you or us.

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**How Coverage Is Changed**

The following is added to the When This Agreement Covers section. This change broadens coverage.

**An extended reporting period applies.** We'll apply this agreement to claims or suits for covered employment injury when they're first:

- made or brought against a protected person while this agreement is in effect and reported to us during the extended reporting period; or
- made or brought against a protected person during the extended reporting period and reported to us during such reporting period.

We explain how the extended reporting period applies in the How the extended reporting period applies section.

**Other Terms**

All other terms of your policy remain the same.

**TERRORISM RISK INSURANCE ACT OF 2002  
CERTIFIED ACTS OF TERRORISM EXCLUSION ENDORSEMENT –  
EMPLOYMENT PRACTICES LIABILITY**

This endorsement changes your Public Entity  
Employment Practices Liability Protection.

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**How Coverage Is Changed**

The following is added to the Exclusions -  
What This Agreement Won't Cover section.  
This change excludes coverage.

**Certified acts of terrorism.** We won't cover  
employment injury that results from any  
certified act of terrorism.

***Certified act of terrorism*** means an act  
that is certified by the Secretary of the  
Treasury, in concurrence with the Secretary  
of State and the Attorney General of the  
United States, to be an act of terrorism  
pursuant to the federal Terrorism Risk  
Insurance Act of 2002. The federal  
Terrorism Risk Insurance Act of 2002  
includes the following criteria for such an  
act of terrorism:

- The act resulted in aggregate losses in  
excess of \$5 million; and
- The act is a violent act, or an act that  
is dangerous to human life, property, or  
infrastructure, and is committed by an  
individual or individuals acting on behalf  
of any foreign person or foreign  
interest, as part of an effort to coerce  
the civilian population of the United  
States of America, including its  
territories and possessions and Puerto  
Rico, or to influence the policy or affect  
the conduct of the United States  
Government by coercion.

**Other Terms**

All other terms of your policy remain the  
same.



## PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY PROTECTION

This insuring agreement provides employment practices liability protection for your operations. There are, of course, exclusions and limitations, and terms with defined meanings, throughout this agreement which apply to that protection. Certain terms that have or include defined meanings shown in this agreement are listed in the List Of Terms With Defined Meanings Shown In This Agreement section, which also shows where their defined meanings are located. This agreement should be read carefully to determine the extent of the coverage provided to you and other protected persons.

**Important note:** This insuring agreement includes defense expenses within:

- the limits of coverage; and
- the deductible if it applies.

As a result, the limits of coverage are used up by payments of defense expenses, and you'll be responsible for paying damages and defense expenses within the deductible if it applies.

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**Protected person** means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement section.

**Employment injury** means employment-related harm to any of your:

- current, former, or prospective employees; or
- independent contractors.

**Independent contractor** means any person who:

- has a contract with you to perform for you certain duties related to the conduct of your operations; and
- isn't your employee or volunteer worker.

**Wrongful employment practice offense** means any of the following offenses:

- Employment discrimination.
- Wrongful employment termination.
- Employment-related harassment.
- Retaliatory action against any of your employees.
- Wrongful, excessive, or unfair discipline of any of your employees.
- Wrongful hiring, supervision, or demotion of, or failure to promote, any of your employees.
- Employment-related misrepresentation, defamation, libel, slander, disparagement, or invasion of privacy.

**Employment discrimination** means any employment-related violation of a person's rights with respect to:

- the person's race, color, national origin, religion, gender, marital status, age, sexual orientation, or physical or mental disability; or
- any other class or characteristic afforded rights under any federal, state, or local law, rule, or regulation.

**Employment-related harassment** means any unwelcome sexual advance, request for any sexual favor, or other verbal, visual, or physical conduct of a sexual or non-sexual nature, when such conduct:

- is connected to a decision affecting a person's employment by you;
- is connected to a decision affecting a person's status as your independent contractor;

- interferes with a person's job performance for you or a person's performance of duties related to the conduct of your operations; or
- creates an intimidating, hostile, or offensive working environment affecting a person's employment by you or a person's performance of duties related to the conduct of your operations.

**Retaliatory action** includes any employment-related action directed at any of your employees that is in response to the employee's:

- exercising any legally afforded rights;
- supporting in any way another person's exercise of any legally afforded rights;
- participating in any strikes or lockouts;
- making any claims or suits against you or any other protected person;
- testifying against you or any other protected person in any legal proceedings;
- declining to perform any illegal or unethical acts; or
- threatened or actual reporting of any illegal operations or activities actually or allegedly conducted within your operations.

**Related wrongful employment practice offenses** means:

- any repeated or continuous wrongful employment practice offense that is related to the same employment injury, regardless of the number of employees sustaining such injury; or
- two or more wrongful employment practice offenses that have as a common connection, tie, or link any fact, circumstance, situation, event, transaction, cause, or any series of related facts, circumstances, situations, events, transactions, or causes.

#### **Right and duty to defend a protected person.**

We'll have the right and duty to defend any protected person against a claim or suit for employment injury covered by this agreement. We'll have such right and duty even if all of the allegations of the claim or suit are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any wrongful employment practice offense and to investigate and settle any claim or suit to the extent that we believe is proper. This includes the right to settle any claim or suit within:

- any deductible that applies; or
- the available limit of coverage.

Our duty to defend protected persons ends when we have used up the limit of coverage that applies with the payment of:

- judgments;
- settlements; or
- defense expenses.

When we defend a claim or suit against a protected person, we'll pay for reasonable defense expenses. Payment of such defense expenses will reduce the available limits of coverage. We explain how in the Limits Of Coverage section.

**Claim** means a demand that seeks damages.

**Suit** means:

- a civil proceeding that seeks damages, including an arbitration proceeding for damages to which the protected person must submit or submits with our consent, or any other alternative dispute resolution proceeding for damages to which the protected person submits with our consent; or
- any administrative proceeding or hearing conducted by a governmental agency having the proper legal authority to conduct such proceeding or hearing.

**Defense expenses** means any of the following fees, costs, or expenses that result directly from the investigation, defense, or appeal of a specific claim or suit:

- Fees, costs, or expenses of hired or appointed attorneys.
- The costs of proceedings involved in the suit, including court reporter's, arbitrator's, or mediator's fees.
- Independent expert's or special investigator's fees, costs, or expenses.
- Expenses incurred by a protected person with our consent.
- Costs for any appeal, attachment, or similar required bonds.
- Costs taxed against a protected person for covered employment injury in a suit, other than attorneys' fees of the person or organization making or bringing the claim or suit.

But we won't consider any of the following to be defense expenses:

- Our expenses, including salaries, wages, or travel expenses of our employees, other than fees, costs, or expenses incurred by us in connection with a specific claim or suit.
- Fees, costs, or expenses of independent adjusters or attorneys for adjusting claims.
- Fees, costs, or expenses for coverage opinions.
- Our recovery expenses, as explained in the Recovering Damages From A Third Party section in your General Rules, which is a part of your policy.

**Expenses incurred by a protected person with our consent** means the reasonable expenses that any protected person incurs at our request while helping us investigate or settle, or defend a protected person against, a claim or suit. But we won't pay more than \$500 per day for earnings actually lost by a protected person because of time taken off from work.

**Transfer of control of defense.** Before the available limit of coverage is used up, you may take over from us control of the defense, including the appeal, of any outstanding claim or suit previously reported to us if:

- we and you agree; or
- a court orders you to do so.

If the available limit of coverage is used up, we'll notify you as soon as we can of all outstanding claims or suits, so you can arrange to take over control of their defense.

We agree to take whatever steps are necessary during a transfer of control of defense of an outstanding claim or suit to continue that defense and avoid a default judgment during such transfer. When we take such steps, you agree that we don't waive or give up any of our rights. You also agree to repay the reasonable expenses we incur for such steps taken after the available limit of coverage is used up.

**Additional payments.** We'll have the duty to make only the payments shown below, in addition to the limits of coverage, in connection with any claim or suit under this agreement against a protected person when we:

- investigate or settle the claim or suit;

- defend the protected person against the claim or suit; or
- pay our part of a judgment.

Our duty to make such payments ends when we have used up the limit of coverage that applies with the payment of:

- judgments;
- settlements; or
- defense expenses.

***Our expenses.*** We'll pay all expenses, other than defense expenses, we incur.

***Prejudgment interest.*** We'll pay the interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of that offer.

***Postjudgment interest.*** We'll pay the interest that accumulates on the full amount of a judgment against the protected person from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment. But if we don't pay part of the judgment for any reason other than it's more than the limit of coverage that applies, we won't pay the postjudgment interest that accumulates on that part of the judgment.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment awarded in a suit that includes damages for covered employment injury if:

- we defend a protected person against the suit; and
- the judgment is awarded against the protected person.

If we appeal such a judgment, we'll pay all expenses that result directly from that appeal. We'll consider such expenses to be defense expenses. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

### **When This Agreement Covers**

We'll apply this agreement to claims or suits for covered employment injury whenever they're made or brought.

### **Where This Agreement Covers**

We'll apply this agreement to covered employment injury that is caused by a wrongful employment practice offense committed anywhere in the world. But only if the protected person's liability for such employment injury is determined in a suit on the merits brought in the coverage territory, or in a settlement agreed to by us. And we'll only make payments under this agreement in the coverage territory.

***Coverage territory*** means:

- the United States of America, including its territories and possessions and Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

### **Who Is Protected Under This Agreement**

**Public entity.** If you're shown in the Introduction as a named insured and a public entity, you're a protected person.

**Elected or appointed officials.** Your lawfully elected or appointed officials, directors, or executive officers are protected persons only for the conduct of their duties as your elected or appointed officials, directors, or executive officers.

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your operations.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

***Employee*** includes a leased worker.

***Leased worker*** means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's operations.

**Employee leasing firm** means any person or organization that hires out workers to others, including any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

**Volunteer worker** means any person who:

- isn't working within the scope of his or her employment as an employee;
- donates his or her work; and
- isn't paid a fee, salary, or other compensation for that work.

**Boards.** Your boards are protected persons. Members of your boards are protected persons only for the conduct of their duties for you or for your boards. And employees of your boards are protected persons only for:

- work done within the scope of their employment by your boards; or
- their performance of duties related to the conduct of the operations of your boards.

However, no such board, member, or employee is a protected person if there's valid and collectible other insurance for employment injury covered by this agreement that is available to such board, member, or employee.

**Your boards** means any board, commission, or other governmental unit or department that:

- is under your complete control; and
- is funded and operated as part of your total operating budget.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, all protected persons share the limits of coverage shown in the Coverage Summary. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in your General Rules, which is a part of your policy.

## **Limits Of Coverage**

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making claims or bringing suits.

The limits of coverage apply excess of any applicable deductible and aren't reduced by the payment of that deductible.

### **Each wrongful employment practice offense limit.**

This is the most we'll pay as damages and defense expenses for all claims or suits for covered employment injury that is caused by:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses.

**Total limit.** This is the most we'll pay as damages and defense expenses for the combined total of all claims or suits for covered employment injury caused by all wrongful employment practice offenses first committed in a policy year.

**Policy year** means the policy period shown in the Introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the Introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining*

*nine-month period. During the third policy year, you request and we provide, two separate extensions of the policy period: a three-month extension and then a four-month extension. As a result, the third policy year becomes sixteen months long and is still subject to the same limits of coverage that applied when it was nine months long.*

**How the limits of coverage apply if the total limit is left blank.** If the amount of the total limit is left blank in the Coverage Summary, we'll consider that total limit to be the same as the each wrongful employment practice offense limit or \$100,000, whichever amount is more.

### **Deductible**

The deductible shown in the Coverage Summary and the information contained in this section fix the amount of damages and defense expenses that you'll be responsible for paying and over which the limits of coverage will apply, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

The deductible won't apply to payments we make under the Additional payments section.

**Each wrongful employment practice offense deductible.** You'll be responsible for the amount of damages and defense expenses within this deductible for all claims or suits for covered employment injury that is caused by:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses.

**Repayment of deductible.** If we settle a claim or suit for damages, or pay a judgment for damages awarded in a suit, that are subject to a deductible, we'll pay the deductible as part of the settlement or judgment, unless you and we agree to do otherwise. You agree to repay us the deductible amount as soon as we notify you of our payment.

Also, if we pay defense expenses that are subject to a deductible, you agree to repay us that amount as soon as we notify you of our payment.

If you fail to repay us a deductible amount that applies to damages or defense expenses, and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:

- Our deductible recovery expenses.
- Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

If the deductible amount awarded to us is less than the full amount of the deductible payment we sought, our deductible recovery expenses will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.

*Our deductible recovery expenses* means all fees, costs, and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you.

### **Exclusions – What This Agreement Won't Cover**

**Bodily injury.** We won't cover bodily injury.

*Bodily injury* means any physical harm, including sickness or disease, to the physical health of other persons.

We'll consider any of the following that happens at any time to be part of such physical harm, sickness, or disease, if it results in or from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

**Breach of contract.** We won't cover employment injury that results from the failure of any protected person to do what is required by any written employment-related contract or agreement.

**Contract liability.** We won't cover employment injury for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to employment injury for which the protected person would have liability without the contract or agreement.

**Criminal, malicious, dishonest, or fraudulent acts or omissions, or knowing violations of rights or laws.** We won't cover employment injury that results from any criminal, malicious, dishonest, or fraudulent act or omission, or any knowing violation of rights or laws, committed by:

- the protected person; or
- anyone with the consent or knowledge of the protected person.

However, we won't apply this exclusion to our duty to defend that protected person until it has been determined or admitted in a legal proceeding that such act, omission, or knowing violation was committed by:

- the protected person; or
- anyone with the consent or knowledge of the protected person.

**Declaratory, injunctive, or other non-monetary relief costs.** We won't cover:

- any cost, expense, or fee; or
- any amount required to comply with a court or administrative order, judgment, ruling, or decree, or a federal, state, or local law;

that results from any action or demand, or any part of any claim or suit, which seeks declaratory, injunctive, or other non-monetary relief.

Such costs, expenses, fees, or amounts include the following:

- The costs of employment reinstatement or continued employment.
- The costs of unpaid compensation, other than front and back wages, earned by the injured person in the course of the person's employment.
- The costs of physical alterations or other changes made to accommodate or afford accessibility to any disabled person.
- The costs of developing, implementing, or enforcing any company policy, procedure, or program.

But we won't apply this exclusion to our duty to defend an administrative proceeding or hearing conducted by a governmental agency having the proper legal authority to conduct such proceeding or hearing.

**Declaratory, injunctive, or other non-monetary relief** includes:

- a judgment which declares the rights and duties of any person or organization; or

- any type of injunction, restraining order, or any other non-monetary relief.

**Employment termination or relocation due to operational decisions.** We won't cover employment injury that results from any termination of employment, or any job relocation or reassignment, that is necessary because you have:

- filed for bankruptcy protection, or been placed in receivership or liquidation;
- merged with, acquired, or been acquired by another entity; or
- transferred any part of your operations to the private sector.

**Fines or penalties.** We won't cover any fine or penalty.

But we won't consider punitive or exemplary damages to be a fine or penalty.

**Known wrongful employment practice offenses.**

We won't cover employment injury that results from any wrongful employment practice offense, including any part of related wrongful employment practice offenses, that any described authorized person knew about before the beginning date from which we, or any of our affiliated insurance companies, have continuously provided this employment practices liability protection to you.

**Described authorized person** means any person while he or she is your:

- Elected or appointed official, director, or executive officer, or member of any of your boards.
- Employee and is or acts as your insurance or risk manager or holds a position in your insurance, risk management, or legal department.

**Multiplied damages.** We won't cover that portion of any multiplied damage award which exceeds the amount multiplied.

**Other employment laws.** We won't cover employment injury that results from any violation of any of the duties or responsibilities required of you as an employer by the following laws, amendments to those laws, or similar provisions of any other laws, rules, or regulations:

- Fair Labor Standards Act, except the Equal Pay Act.
- National Labor Relations Act.

- Worker Adjustment and Retraining Notification Act.
- Consolidated Omnibus Budget Reconciliation Act of 1985.
- Occupational Safety and Health Act.
- Employee Retirement Income Security Act of 1974.

But we won't apply this exclusion to employment injury that results from retaliatory action against any of your employees for the employee's exercising of rights afforded by such laws.

**Property damage.** We won't cover property damage.

*Property damage* means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged.

*Tangible property* doesn't include data.

**School operations.** We won't cover employment injury that results from the activities, operations, or administration of any school, college, or university.

**Strikes or lockouts.** We won't cover employment injury to any of your employees:

- on strike or locked out; or
- temporarily or permanently replaced; due to any labor dispute, including breach of a collective bargaining agreement.

But we won't apply this exclusion to employment injury that results from retaliatory action taken in response to any of your employees for participating in any strike or lockout.

**Workers compensation or other benefits laws.**

We won't cover any obligation that the protected person has under any:

- workers compensation law;
- disability benefits law;
- unemployment compensation law; or
- similar law.

### **Other Insurance**

This agreement is primary insurance.

However, if there's any valid and collectible other insurance for employment injury covered by this agreement, we'll apply this agreement as excess insurance.

When this agreement is excess insurance, we won't have a duty to defend any claim or suit that any provider of other insurance has a duty to defend. However, we'll defend a claim or suit for covered employment injury if no provider of other insurance will do so. In return, we'll require that the protected persons give us all of their rights against each such provider of other insurance.

Also, we'll pay only the amount of damages that's in excess of:

- the total amount that all such other insurance would pay if this agreement didn't exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

But we won't pay more than the limit of coverage that applies under this agreement.

*Other insurance* means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self insurance method or program; or
- any similar risk transfer or risk management method.

However, we won't consider umbrella insurance or excess insurance that you bought specifically to apply in excess of the limits of coverage for this agreement to be other insurance.

### **Representations**

By accepting this agreement, you agree that:

- the statements and representations made in your application for this employment practices liability protection, and in all materials submitted to us in connection with it, are accurate and complete;
- those statements and representations are material to our acceptance of risks assumed under this agreement; and
- we have relied on those statements and representations in issuing this agreement.



## List Of Terms With Defined Meanings Shown In This Agreement

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This section lists, in alphabetical order, the terms that have or include defined meanings shown in this agreement. The defined meaning for each of these terms:

- begins on the page shown for that term; and
- is usually located immediately following where that term is first used in this agreement.

However, one or more endorsements or other forms made part of your policy may, without changing this section:

- delete or change the defined meanings for any of these terms; or
- add a defined meaning for any other term.

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**NON-EMPLOYMENT RELATED SEXUAL HARASSMENT  
COVERAGE ENDORSEMENT –  
PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY**

This endorsement changes your Public Entity  
Employment Practices Liability Protection.

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**How Coverage Is Changed**

There are three changes explained below.

1. The following replaces the definition of wrongful employment practice offense. This change broadens coverage.

*Wrongful employment practice offense* means any of the following offenses:

- Employment discrimination.
- Wrongful employment termination.
- Employment-related harassment.
- Retaliatory action against any of your employees.
- Wrongful, excessive, or unfair discipline of any of your employees.
- Wrongful hiring, supervision, or demotion of, or failure to promote, any of your employees.
- Employment-related misrepresentation, defamation, libel, slander, disparagement, or invasion of privacy.
- Non-employment related sexual harassment.

*Non-employment related sexual harassment* means any unwelcome sexual advance, request for any sexual favor, or other verbal, visual, or physical conduct of a sexual nature, when such conduct is committed:

- by your employee while performing duties related to the conduct of your operations; and
- against any non-employee.

*Non-employee* means any person other than:

- your current, former, or prospective employee;
- your independent contractor;
- your elected or appointed official, director, or executive officer; and
- a member or employee of your boards.

2. The following replaces the definition of employment injury. This change broadens coverage.

*Employment injury* means:

- employment-related harm to any of your current, former, or prospective employees or any of your independent contractors; or
- harm to any non-employee that results from non-employment related sexual harassment.

3. The following replaces the Breach of contract exclusion. This change excludes coverage.

**Breach of contract.** We won't cover employment injury that results from the failure of any protected person to do what is required by any written contract or agreement.

**Other Terms**

All other terms of your policy remain the same.

**PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY PROTECTION  
COVERAGE SUMMARY**



This Coverage Summary shows the limits of coverage and deductible that apply to your Public Entity Employment Practices Liability Protection. It also lists those endorsements, if any, that must have certain information shown for them to apply.

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**Limits Of Coverage**

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**Each wrongful employment  
practice offense limit.** \$

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**Total limit.** \$

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**Each wrongful employment  
practice offense deductible** \$

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**Named Endorsement Table**

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**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply, too. If so, they're listed on the Policy Forms List.

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**Name of Insured**

**Policy Number**

**Effective Date**

**Processing Date**

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**WRONGFUL EMPLOYMENT PRACTICE OFFENSE COMMITTED BY  
DESCRIBED PERSONS OR DEPARTMENTS EXCLUSION ENDORSEMENT –  
PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY**

This endorsement changes your Public Entity  
Employment Practices Liability Protection.

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**How Coverage Is Changed**

The following is added to the Exclusions -  
What This Agreement Won't Cover section.  
This change excludes coverage.

**Other Terms**

All other terms of your policy remain the  
same.

**Wrongful employment practice offense committed  
by described persons or departments.** We won't  
cover employment injury that results from a  
wrongful employment practice offense  
committed by:

- any person described below; or
- any employee or volunteer worker of any  
of your departments described below.

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**Described person**

---

**Described department**

---

**Name of Insured**

**Policy Number**

**Effective Date**

**Processing Date**

**EMPLOYMENT INJURY TO DESCRIBED PERSONS EXCLUSION  
ENDORSEMENT –  
PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY**

This endorsement changes your Public Entity  
Employment Practices Liability Protection.

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<b>How Coverage Is Changed</b>	<b>Other Terms</b>
The following is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.	All other terms of your policy remain the same.
<b>Employment injury to described persons.</b> We won't cover employment injury to any person described below.	

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**Described persons**

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<b>Name of Insured</b>	<b>Policy Number</b>	<b>Effective Date</b>
		<b>Processing Date</b>

---

## **PRIOR EMPLOYMENT INJURY COVERAGE ENDORSEMENT – PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY**

This endorsement changes your Public Entity  
Employment Practices Liability Protection.

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### **How Coverage Is Changed**

The following is added to the Employment practices liability section. This change broadens coverage.

We'll also pay amounts any protected person is legally required to pay as damages for covered employment injury that:

- is caused by a wrongful employment practice offense first committed during the described prior time period; and
- isn't previously known employment injury.

We'll consider all employment injury covered by the Prior Employment Injury Coverage Endorsement to have been caused by a wrongful employment practice offense first committed on the first day of the policy period shown in the Introduction, regardless of when such wrongful employment practice offense was actually committed.

*Described prior time period* means the period that:

- begins on \_\_\_\_\_ at 12:01 a.m. at the address shown for you in the Introduction of your policy; and
- ends when this agreement begins.

*Previously known employment injury* means employment injury that was caused by a wrongful employment practice offense committed before this agreement begins and that was known by you or any described authorized person before this agreement begins as a result of any of the following at that time:

- You or any described authorized person reporting all or part of that employment injury, or any other employment injury caused by that offense, to us or any other insurer.
- You or any described authorized person receiving a claim or suit for all or part of that employment injury or any other employment injury caused by that offense.
- Any described authorized person witnessing, or being told of, all or part of that employment injury or any other employment injury caused by that offense.

### **Other Terms**

All other terms of your policy remain the same.

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**Name of Insured**

**Policy Number**

**Effective Date**

**Processing Date**

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## DEFENSE EXPENSES WITHIN LIMITS OF COVERAGE NOTICE

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The Department of Insurance in the state(s) of \_\_\_\_\_  
requires that we obtain your signature on this important notice.

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The Public Entity Employment Practices Liability - Claims-Made insuring agreement provided by us includes defense expenses within the limits of coverage shown on the Coverage Summary.

We define the term *defense expenses* in the insuring agreement. This agreement should be read carefully.

By signing below, you understand and acknowledge that the Public Entity Employment Practices Liability - Claims-Made contains defense-within-limits provisions, which means that the defense expenses will reduce the limit of coverage and may exhaust the limit of coverage completely. Should that occur, you'll be liable for any further amounts, including defense expenses.

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Insured's Signature

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Date Signed

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**This notice is attached to your policy; however, this notice does not change or alter any provision of your policy. Please contact your agent if you have any questions concerning this notice or any part of your policy.**

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**Name of Insured**

**Policy Number**

**Effective Date**

**Processing Date**

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## **Rate Information**

Rate data does NOT apply to filing.



## Supporting Document Schedules

<b>Satisfied -Name:</b>	Uniform Transmittal Document- Property & Casualty	<b>Review Status:</b> Approved	08-09-2007
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**Comments:**

**Attachments:**

NAIC Transmittal Doc.pdf  
NAIC Form Filing Schedule.pdf

<b>Satisfied -Name:</b>	Cover Letter & Indexes	<b>Review Status:</b> Approved	08-09-2007
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**Comments:**

**Attachments:**

AR 2006-08-0172 Form ltr.pdf  
EPL Arkansas Index of Forms.pdf  
PEML Index of Forms.pdf

# Property & Casualty Transmittal Document


<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>	<b>Group NAIC #</b>
Travelers	3548

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
St. Paul Fire & Marine Insurance Company	MN	24767	41-0406690	
St. Paul Mercury Insurance Company	MN	24791	41-0881659	
St. Paul Guardian Insurance Company	MN	24775	41-0963301	

<b>5. Company Tracking Number</b>	2006-08-0172-F
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Carol Letendre 385 Washington St. St. Paul MN 55102	Senior Regulatory Analyst	651-310-7110 800-328-2189 Ext. 07110	651-310-4361	<a href="mailto:Cletendr@travelers.com">Cletendr@travelers.com</a>
7. Signature of authorized filer				
8. Please print name of authorized filer		Carol Letendre		

**Filing information** (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	5.0000 CMP
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	5.0007 Other CMP
<b>11. State Specific Product code(s) (if applicable)[See State Specific Requirements]</b>	N/A
<b>12. Company Program Title</b> (Marketing title)	Public Entity Rate Plan Manual
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: October 1, 2007      Renewal: October 1, 2007
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16. Reference Organization</b> (if applicable)	N/A
<b>17. Reference Organization # &amp; Title</b>	N/A
<b>18. Company's Date of Filing</b>	August 7, 2007
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

**Property & Casualty Transmittal Document—**

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	2006-08-0172-F
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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This filing proposes a new product offering within our Public Sector Services portfolio of products. We are proposing to offer Employment Practices Liability (EPL) coverage on an occurrence basis within the Public Entity Rate Plan (PERP). This proposed plan provides an opportunity to competitively rate for this unique and specialized coverage. We are submitting new and revised forms which will be used in conjunction with the new occurrence coverages. The corresponding rate/rule filing has been submitted under separate cover. There is no rate impact on existing insureds.

Please refer to the enclosed Forms Index for identification and explanation of the material included in this submission.

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>ARKANSAS  <b>Check #:</b> N/A – EFT  <b>Amount:</b> 50.00</p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>	

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)  
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		2006-08-0172-F		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		2006-08-0172-R		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Public Entity Management Liability Protection – Claims-Made	47279 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	47279 Rev. 01/01	2001-04-0042
02	Extended Reporting Period Endorsement – Public Entity Management Liability	47337 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	47337 Ed. 05/93	2003-08-0106
03	Public Entity Management Liability Protection	L0053 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	L0053 Ed. 10/98	1998-09-0101
04	Public Sector Services Described Boards And Commissions Exclusion Endorsement – Public Entity Management Liability	L0173 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	L0173 Ed. 10/98	1998-08-0106
05	Public Entity Management Liability Protection Coverage Summary	L0177 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	L0177 Ed. 10/98	1998-09-0101
06	Prior Loss Coverage Endorsement – Public Entity Management Liability	L0178 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	L0178 Ed. 10/98	1998-09-0101
07	Public Entity Employment Practices Liability Protection – Claims-Made	L0394 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	L0394 Ed. 01/01	2001-04-0042
08	Public Entity Employment Practices Liability Protection – Claims-Made Coverage Summary	L0397 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	L0397 Ed. 01/01	2001-04-0042
09	Public Sector Services Extended Reporting Period Endorsement – Public Entity Employment Practices Liability	L0398 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	L0398 Ed. 01/01	2001-04-0042
10	Terrorism Risk Insurance Act of 2002 Certified Acts of Terrorism Exclusion Endorsement – Employment Practices Liability	L0494 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	L0494 Ed. 11/03	2003-11-0030

11	Public Entity Employment Practices Liability Protection	L0646 Ed. 07/06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A – New	N/A – New
12	Non-Employment Related Sexual Harassment Coverage Endorsement – Public Entity Employment Practices Liability	L0648 Ed. 07/06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A – New	N/A – New
13	Public Entity Employment Practices Liability Protection Coverage Summary	L0649 Ed. 07/06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A – New	N/A – New
14	Wrongful Employment Practice Offense Committed By Described Persons Or Departments Exclusion Endorsement – Public Entity Employment Practices Liability	L0650 Ed. 07/06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A – New	N/A – New
15	Employment Injury To Described Persons Exclusion Endorsement – Public Entity Employment Practices Liability	L0659 Ed. 07/06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A – New	N/A – New
16	Prior Employment Injury Coverage Endorsement – Public Entity Employment Practices Liability	L0662 Ed. 07/06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A – New	N/A – New
17	Public Sector Services Public Entity Management Liability Self-Insured Retention Endorsement	47657 Ed. 01/95	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		1995-08-0017
18	Our Right To Settle Claims Without Your Written Consent Endorsement – Public Entity Management Liability	L0184 Rev. 01/01	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		2001-04-0042
19	Our Right To Settle Claims Without Your Written Consent Endorsement – Public Entity Employment Practices Liability	L0349 Rev. 01/01	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		2001-04-0042
20	Defense Expenses Within Limits of Coverage Notice	NL031 Rev. 07/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	NL031 Ed. 01/01	



**Carol Letendre**  
Senior Regulatory Analyst  
Regulatory Affairs, Business Insurance  
Toll Free: (800) 328-2189 Ext. 07110  
Direct: (651) 310-7110; Fax: (651) 310-4361  
385 Washington Street, 9275-NB14L  
St. Paul, MN 55102  
[Cletendr@travelers.com](mailto:Cletendr@travelers.com)

August 7, 2007

Commissioner Julie Benafield Bowman  
Commissioner of Insurance  
State of Arkansas  
1200 West Third Street  
3<sup>rd</sup> and Cross  
Little Rock, AR 72201-1904

**ST. PAUL FIRE AND MARINE INSURANCE COMPANY – 3548-24767**  
**ST. PAUL MERCURY INSURANCE COMPANY – 3548-24791**  
**ST. PAUL GUARDIAN INSURANCE COMPANY – 3548-24775**  
Public Sector Services  
Commercial Multi-Peril  
Form Submission  
**Our Company Filing Number: 2006-08-0172-F**

Dear Commissioner:

In compliance with the insurance laws and regulations in your state, our companies respectfully submit the attached Commercial Multi-Peril filing for your review and consideration.

This filing proposes a new product offering within our Public Sector Services portfolio of products. We are proposing to offer Employment Practices Liability (EPL) coverage on an occurrence basis within the Public Entity Rate Plan (PERP). This proposed plan provides an opportunity to competitively rate for this unique and specialized coverage. We are submitting new and revised forms which will be used in conjunction with the new occurrence coverages. The corresponding rate/rule filing has been submitted under separate cover. There is no rate impact on existing insureds.

Please refer to the enclosed Forms Index for identification and explanation of the material included in this submission.

Please indicate your approval of this filing to be effective **October 1, 2007** by stamping and returning the extra copy of this letter.

Sincerely,

Carol Letendre  
Senior Regulatory Analyst  
CL/ca  
Enclosures

**Public Sector Services**  
**Public Entity Employment Practices Liability - Claims -Made and Occurrence Forms List**  
**Filing 2006-08-0172**  
**Arkansas**

Applicable Insuring Agreement	Form #	Date	Title	Replacement or New?	Usage
Employment Practices Liability - Claims-Made #L0394 Rev. 7/06	<u>L0349</u>	<u>Ed. 1/01</u>	Our Right to Settle Claims Without Your Written Consent Endorsement – Public Entity Employment Practices Liability	Withdraw	N/A
Employment Practices Liability - Claims-Made #L0394 Rev. 7/06	<u>L0394</u>	<u>Rev. 7/06</u>	Public Entity Employment Practices Liability Protection – Claims-Made	Replaces Ed. 1/01	Mandatory
Employment Practices Liability - Claims-Made #L0394 Rev. 7/06	<u>L0397</u>	<u>Rev. 7/06</u>	Public Entity Employment Practices Liability Protection – Claims-Made Coverage Summary	Replaces 1/01 edition	Mandatory
Employment Practices Liability - Claims-Made #L0394 Rev. 7/06	<u>L0398</u>	<u>Rev. 7/06</u>	Extended Reporting Period Endorsement - Public Entity Employment Practices Liability	Replaces Ed. 01/01/2001	Optional
Employment Practices Liability - Claims-Made #L0394 Rev. 7/06 AND Occurrence #L0646	<u>L0494</u>	<u>Rev. 7/06</u>	Terrorism Risk Insurance Act Of 2002 - Certified Acts Of Terrorism Exclusion Endorsement - Employment Practices Liability	Replaces Ed. 11/2003	Optional
Public Entity Employment Practices Liability # L0646	<u>L0646</u>	<u>Ed. 7/06</u>	Public Entity Employment Practices Liability	New	Mandatory
Public Entity Employment Practices Liability - Claims-Made #L0394 Rev. 7/06 AND Occurrence #L0646	L0648	<u>Ed. 7/06</u>	Non-Employment Related Sexual Harassment Coverage Endorsement - Public Entity Employment Practices Liability	New	Optional
Public Entity Employment Practices Liability # L0646	L0649	Ed. 7-01	Public Entity Employment Practices Coverage Summary	New	Mandatory
Employment Practices Liability - Claims-Made #L0394 Rev. 7/06 AND Occurrence #L0646	L0650	Ed. 7-06	Wrongful Employment Practice Offense Committed by Described Persons or Department Exclusion Endorsement	New	Optional
Employment Practices Liability - Claims-Made #L0394 Rev. 7/06 AND Occurrence #L0646	L0659	Ed. 7-06	Employment Injury to Described Persons Exclusion Endorsement	New	Optional
Public Entity Employment Practices Liability # L0646	L0662	Ed. 7-06	Prior Employment Injury Coverage Endorsement	New	Optional
Employment Practices Liability - Claims-Made #L0394 Rev. 7/06	NL031	Ed. 7-06	Defense Expenses within Limits of Coverage Notice	Replaces Ed. 01/01	Mandatory - State Required

**Public Sector Services**  
**Public Entity Management Liability - Claims-Made and Occurrence Forms List**  
**Filing # 2006-08-0172**

<b>Applicable Insuring Agreement</b>	<b>Form #</b>	<b>Date</b>	<b>Title</b>	<b>Replacement or New?</b>	<b>Usage</b>
Public Entity Management Liability - Claims-Made #47279	47279	Rev. 7/06	Public Entity Management Liability Protection Claims-Made	Replaces Rev. 1/01	Mandatory
Public Entity Management Liability - Claims-Made #47279	47337	Rev. 7-06	Extended Reporting Period Endorsement - Public Entity Management Liability	Replaces Ed. 5/93	Optional
Public Entity Management Liability Occurrence #L0053	L0053	Rev. 7/06	Public Entity Management Liability Protection	Replaces Ed. 10/98	Mandatory
Public Entity Management Liability - Claims-Made #47279; and Occurrence #L0053	L0173	Rev. 7/06	Public Sector Services Described Boards and Commissions Redefined Endorsement - Public Entity Management Liability	Replaces 10/98	Optional
Public Entity Management Liability #L0053	L0177	Rev. 7/06	Public Entity Management Liability Protection Coverage Summary	Replaces Ed. 10/98	Mandatory
Public Entity Management Liability #L0053	L0178	Rev. 7/06	Prior Loss Coverage Endorsement - Public Entity Management Liability	Replaces Ed. 10/98	Mandatory
Public Entity Management Liability - Claims-Made 47279	L0184	Rev.1/01	Our Right to Settle Claims Without Your Written Consent Endorsement - Public Entity Management Liability - Claims-Made	Withdraw	Withdraw
Public Entity Management Liability - Claims-Made #47279	47657	1/95	Self Insured Retention	Withdraw	N/A